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LEGISLATIVE HISTORY

Public Law 188--20th Congress

Chapter 248--1st Session

H. R. 3647

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DIGEST OF PUBLIC LAW 188

Second Decontrol Act of 1947. Continues allocations and priorities powers through February 29, 1948 (or earlier if the President or Congress so decide), regarding fats and oils and rice and its products for import control only, and certain other commodities and facilities; continues export-control powers for the same period; and gives the Secretary of Commerce general responsibility for establishing policies and programs under the Act.

INDEX AND SUMMARY OF HISTORY ON H. R. 3647

April 24, 1947	Resume of hearings: Hearings not printed.
May 13, 1947	Resume of hearings: Hearings not printed.
May 28, 1947	H. R. 3647 was introduced by Rep. Michener, and was referred to the House Committee on the Judiciary. Print of the bill as introduced. (Companion bill).
June 17, 1947	S. 1461 was introduced by Senator Cooper and was referred to the Senate Committee on the Judiciary. Print of the bill as introduced. Resume of hearings: (Hearings not printed).
June 19, 1947	Senate Committee voted to report S. 1461.
June 23, 1947	Senate Committee reported S. 1461 with amendments. Senate Report 340. Print of the bill as reported.
June 24, 1947	House Committee reported H. R. 3647 with amendments. House Report 688. Print of the bill as reported.
June 26, 1947	H. R. 3647 debated in the House with amendments. Amendments intended to be proposed by Senators Ellender and Thomas on S. 1461.
June 27, 1947	Senate debated S. 1461. H. R. 3647 ordered to be placed on the calendar. Print of the bill as placed on the calendar.
June 30, 1947	Senate continued debate on S. 1461. Amendment intended to be proposed by Senator Saltonstall on S. 1461.
July 3, 1947	H. R. 3647 passed Senate with amendments. (inserted the language of S. 1461). S. 1461 indefinitely postponed in view of passage of H. R. 3647. Senate Conferees appointed.
July 7, 1947	House Conferees appointed.
July 10, 1947	House received the Conference Report. House Rept. 854.
July 11, 1947	Both Houses agreed to the Conference Report.
July 15, 1947	Approved. Public Law 188.

OFFICE OF COMMERCE AND TRADE
Division of Legislative Reports

(For administrative information only)

HEARINGS BEFORE HOUSE ARMED SERVICES COMMITTEE ON EXPORT-CONTROL
TION, APRIL 24, 1947.

Mr. Thomas C. Brinadell, Jr., Assistant to the Secretary of Commerce, outlined the general history of export controls under the Export Control Act and the considerations which make it desirable to continue the authority for the exercise of such control until June 30, 1948. In answer to questions of the Committee, Mr. Brinadell informed the Committee that it was impossible for him at this time to state whether or not it would be necessary to request further continuance beyond June 30, 1948.

Under Secretary Dodd informed the Committee that the Department of Agriculture thought continuation of export control was necessary to protect the domestic economy from unwarranted drains on our supplies, to check inflationary price upturns, and to make efficient use of transportation and shipping facilities. He further informed the Committee that these controls were necessary to insure the channeling of our supplies available for export to the countries where the greatest need existed, and to be in a position to continue through channeling of foodstuffs our support of the coordinated efforts to establish a lasting peace.

Colonel Wood of the State Department informed the Committee of that Department's support of the continuation of the authority to exercise export control to implement our foreign policy in cooperation with other countries in connection with the distribution of commodities in world short supply.

Charles W. Bucy*
Associate Solicitor

*In cooperation with the Division of Legislative Reports.

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OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports

(For administrative information only)

HEARINGS BEFORE THE SUBCOMMITTEE OF THE SENATE JUDICIARY COMMITTEE ON THE
EXTENSION OF THE EXPORT CONTROL ACT, MAY 13, 1947

Mr. N. E. Dodd, Under Secretary, made a statement for the Committee similar to the statement made by him before the House Judiciary Committee on the same subject. He was questioned by Senator Cooper with respect to the possible effect of the Export Control Act on the food commodities under such control. Mr. Dodd informed the Senator that the removal of the control would result in allowing foreign countries to go into our market to try to meet their sizable demand, thereby working our prices up.

He was requested to furnish the committee with statistics on the increase in the general price index with respect to agricultural commodities during the past year; the present domestic demand and price level; and the export demand that would exist in the absence of export control and the effect of such demand on prices.

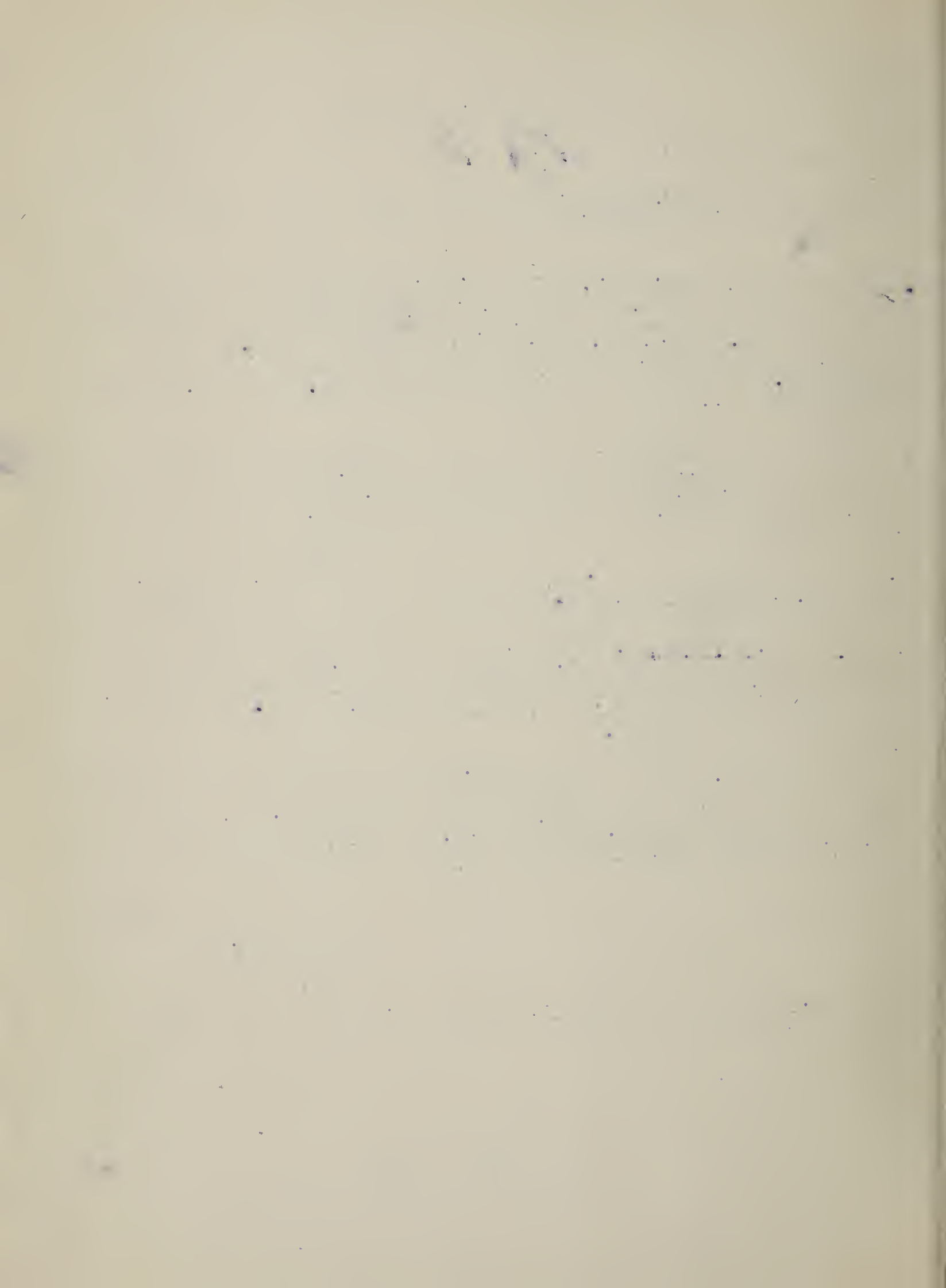
He was also requested to furnish production, domestic demand, export demand, and present export figures with respect to grain.

Mr. Thomas C. Blaisdell, Jr., Assistant to the Secretary of Commerce, made a general statement in support of the continuation of export control to protect our economy and channel the available export to the countries where most needed. His statement was similar to that made before the House Judiciary Committee on the same subject.

After Mr. Blaisdell, Senator Cooper announced that the hearing would be adjourned; that they would have a hearing probably once a week for the next few weeks; that he intended to hear those in opposition to the continuation of the export control act next, and thereafter would call on the Government witnesses with respect to specific questions that may be raised.

Charles W. Bucy*
Associate Solicitor

*In cooperation with the Division of Legislative Reports.



80TH CONGRESS
1ST SESSION

H. R. 3647

IN THE HOUSE OF REPRESENTATIVES

MAY 28, 1947

Mr. MICHENER (by request) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To extend certain powers of the President under title III of the
Second War Powers Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 FINDINGS OF FACT AND DECLARATION OF POLICY

4 SECTION 1. (a) Certain materials and facilities con-
5 tinue in short supply at home and abroad as a result of the
6 war. The continued exercise of certain limited emergency
7 powers is required to complete the orderly reconversion of
8 the domestic economy from a wartime to a peacetime basis,
9 to protect the health, safety, and welfare of the American
10 people, and to support the foreign policy of the United
11 States.

1 (b) It is the general policy of the United States to con-
2 tinue emergency wartime controls of materials only to the
3 minimum extent necessary (1) to protect the domestic
4 economy from the injury which would result from adverse
5 distribution of materials which continue in short world sup-
6 ply; (2) to promote production in the United States by
7 assisting in the expansion and maintenance of production
8 in foreign countries of materials critically needed in the
9 United States; and (3) to aid in carrying out the foreign
10 policy of the United States.

11 TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

12 SEC. 2. To effectuate the policies set forth in section 1
13 hereof, title XV, section 1501, of the Second War Powers
14 Act, 1942, approved March 27, 1942, as amended, is
15 amended to read as follows:

16 “SEC. 1501. (a) Except as otherwise provided by stat-
17 ute enacted during the first session of the Eightieth Congress
18 and except as otherwise provided by subsection (b) of this
19 section, titles I, II, III, IV, V, VII, and XIV of this Act
20 and the amendments to existing law made by such titles shall
21 remain in force only until March 31, 1947. After the amend-
22 ments made by any such title cease to be in force, any pro-
23 visions of law amended thereby (except subsection (a) of
24 section 2 of the Act entitled ‘An Act to expedite national
25 defense, and for other purposes’, approved June 28, 1940,

1 as amended by the Act of May 31, 1941) shall be in full
2 force and effect as though this Act had not been enacted.

3 “(b) Title III of this Act and the amendments to exist-
4 ing law made by such title shall remain in force only until
5 June 30, 1948, for the exercise of the powers, authority, and
6 discretion thereby conferred on the President, but limited to
7 the following materials, and to facilities suitable for the manu-
8 facture of such materials:

9 “(1) Tin and tin products;

10 “(2) Manila (abaca) fiber and cordage, and agave
11 fiber and cordage;

12 “(3) Antimony;

13 “(4) Cinchona bark, quinine, and quinidine;

14 “(5) Such materials for export which are required
15 to expand or maintain the production in foreign coun-
16 tries of materials critically needed in the United States,
17 for the purpose of establishing priority in production and
18 delivery for export, and such materials which are neces-
19 sary for manufacture and delivery of the materials
20 required for such export;

21 “(6) Fats and oils (including oil-bearing materials,
22 fatty acids, butter, soap, and soap powder, but excluding
23 petroleum and petroleum products) and rice and rice
24 products, for the purpose of exercising import control,
25 and nitrogenous fertilizer materials for the purposes of

1 exercising import control and of establishing priority in
2 production and delivery for export;

3 “(7) Materials (except foods and food products
4 and fertilizer materials) required for export, but only
5 upon certification by the Secretary of State that the
6 prompt export of such materials is of high public im-
7 portance and essential to successful carrying out of the
8 foreign policy of the United States, for the purpose of
9 establishing priority in production and delivery for
10 export, and such materials as may be necessary for the
11 manufacture and delivery of the materials required for
12 such export:

13 *Provided*, That, notwithstanding the extension to June 30,
14 1948, made by this subsection, the two Houses of Congress
15 by concurrent resolution or the President may designate
16 an earlier time for the termination of any power, authority
17 or discretion under such title III: *Provided further*, That
18 nothing in this subsection (b) shall be construed to continue
19 beyond March 31, 1947, any authority under paragraph (1)
20 of subsection (a) of section 2 of the Act entitled ‘An Act
21 to expedite national defense and for other purposes’, ap-
22 proved June 28, 1940, as amended, to negotiate contracts
23 with or without advertising or competitive bidding: *Pro-*
24 *vided further*, That nothing contained herein shall affect the
25 authority conferred by Public Law 24, Eightieth Congress,

1 approved March 29, 1947, or the Sugar Control Extension
2 Act of 1947.

3 “(c) The functions exercised under title III of this
4 Act and the amendments to existing law made by such title,
5 shall be excluded from the operation of the Administrative
6 Procedure Act, except as to the requirements of section 3
7 of that Act.”

A BILL

To extend certain powers of the President under
title III of the Second War Powers Act.

By Mr. MOHENER

MAY 28, 1947

Referred to the Committee on the Judiciary

80TH CONGRESS
1ST SESSION

S. 1461

IN THE SENATE OF THE UNITED STATES

JUNE 17 (legislative day, APRIL 21), 1947

Mr. COOPER introduced the following bill; which was read twice and referred
to the Committee on the Judiciary

A BILL

To extend certain powers of the President under title III of the
Second War Powers Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 FINDINGS OF FACT AND DECLARATION OF POLICY

4 SECTION 1. (a) Certain materials and facilities continue
5 in short supply at home and abroad as a result of the war.
6 The continued exercise of certain limited emergency powers
7 is required to complete the orderly reconversion of the domes-
8 tic economy from a wartime to a peacetime basis, to protect
9 the health, safety, and welfare of the American people, and
10 to support the foreign policy of the United States.

11 (b) It is the general policy of the United States to

1 continue emergency wartime controls of materials only to
2 the minimum extent necessary (1) to protect the domestic
3 economy from the injury which would result from adverse
4 distribution of materials which continue in short world
5 supply; (2) to promote production in the United States by
6 assisting in the expansion and maintenance of production in
7 foreign countries of materials critically needed in the United
8 States; and (3) to aid in carrying out the foreign policy of
9 the United States.

10 TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

11 SEC. 2. To effectuate the policies set forth in section 1
12 hereof, title XV, section 1501, of the Second War Powers
13 Act, 1942, approved March 27, 1942, as amended, is
14 amended to read as follows:

15 "SEC. 1501. (a) Except as otherwise provided by
16 statute enacted during the first session of the Eightieth
17 Congress and except as otherwise provided by subsection
18 (b) of this section, titles I, II, III, IV, V, VII, and
19 XIV of this Act and the amendments to existing law made
20 by such titles shall remain in force only until March 31,
21 1947. After the amendments made by any such title cease
22 to be in force, any provisions of law amended thereby
23 (except subsection (a) of section 2 of the Act entitled
24 'An Act to expedite national defense, and for other purposes',
25 approved June 28, 1940, as amended by the Act of May

1 31, 1941) shall be in full force and effect as though this
2 Act had not been enacted.

3 “(b) Title III of this Act and the amendments to
4 existing law made by such title shall remain in force only
5 until June 30, 1948, for the exercise of the powers,
6 authority, and discretion thereby conferred on the President,
7 but limited to the following materials, and to facilities
8 suitable for the manufacture of such materials:

9 “(1) Tin and tin products;

10 “(2) Manila (abaca) fiber and cordage, and agave
11 fiber and cordage;

12 “(3) Antimony;

13 “(4) Cinchona bark, quinine, and quinidine;

14 “(5) Such materials for export which are required to
15 expand or maintain the production in foreign countries of
16 materials critically needed in the United States, for the pur-
17 pose of establishing priority in production and delivery for
18 export, and such materials which are necessary for manu-
19 facture and delivery of the materials required for such export;

20 “(6) Fats and oils (including oil-bearing materials,
21 fatty acids, butter, soap and soap powder, but excluding
22 petroleum and petroleum products and rice and rice products,
23 for the purpose of exercising import control, and nitrogenous
24 fertilizer materials for the purposes of exercising import

1 control and of establishing priority in production and delivery
2 for export;

3 “(7) Materials (except foods and food products and
4 fertilizer materials) required for export, but only upon certi-
5 fication by the Secretary of State that the prompt export of
6 such materials is of high public importance and essential
7 to successful carrying out of the foreign policy of the United
8 States, for the purpose of establishing priority in production
9 and delivery for export, and such materials as may be neces-
10 sary for the manufacture and delivery of the materials
11 required for such export: *Provided*, That, notwithstanding
12 the extension to June 30, 1948, made by this subsection,
13 the two Houses of Congress by concurrent resolution or the
14 President may designate an earlier time for the termination
15 of any power, authority, or discretion under such title III:
16 *Provided further*, That nothing in this subsection (b) shall
17 be construed to continue beyond March 31, 1947, any
18 authority under paragraph (1) of subsection (a) of section 2
19 of the Act entitled, ‘An Act to expedite national defense
20 and for other purposes’, approved June 28, 1940, as
21 amended, to negotiate contracts with or without advertising
22 or competitive bidding: *Provided further*, That nothing
23 contained herein shall affect the authority conferred by
24 Public Law 24, Eightieth Congress, approved March 29,
25 1947, or the Sugar Control Extension Act of 1947.

1 “(c) The functions exercised under title III of this
2 Act and the amendments to existing law made by such title
3 shall be excluded from the operation of the Administrative
4 Procedure Act, except as to the requirements of section 3 of
5 that Act.”

A BILL

To extend certain powers of the President under title III of the Second War Powers Act.

By Mr. COOPER

JUNE 17 (legislative day, APRIL 21), 1947
Read twice and referred to the Committee on the
Judiciary

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports

(For administrative information only)

HEARINGS BEFORE SUBCOMMITTEE (SEN. COOPER, CHAIRMAN) OF THE SENATE JUDICIARY COMMITTEE ON
IMPORT-CONTROL CONTINUATION, JUNE 17, 1947

The hearing was an unscheduled special meeting, called to complete record on extension of export controls.

Mr. Farrington, PMA, explained the wheat purchase operations of Commodity Credit Corporation and expressed the view that the continued procurement of wheat by CCC would (1) permit the accumulation of supplies at the most advantageous time from the standpoint of both the producers and foreign claimants, (2) keep wheat moving to port in an orderly manner and thus make maximum utilization of transportation facilities, and (3) take into consideration the immediate needs of foreign claimants and exporting agencies in making allocations and assigning wheat to cover such allocations. Senator Cooper quoted trade representatives to the effect that they could supply wheat to foreign claimants at a lower cost than CCC. Mr. Farrington explained that this had not been true in the past, that by virtue of its heavy purchases of wheat during the fall and early winter when prices were at their lowest levels for the year, the Corporation had been able to supply wheat to foreign claimants at lower than average seasonal prices. He pointed out that during the spring when market prices were ranging from \$2.50 to \$3.00 per bushel the Corporation was supplying to the Army and foreign claimants wheat which it had acquired around \$2 per bushel and charging them only cost plus 1 percent for contingencies and 1 percent for administrative expenses. He testified further that the 1 percent for administrative expenses covered all administrative cost of CCC in connection with its export procurement, including salaries of employees employed therein.

Dr. FitzGerald, Executive Secretary of the International Emergency Food Council, testified on the world food situation with particular reference to need for import and export controls in this country to implement the recommendations of the International Emergency Food Council with regard to fats and oils, cereals, and rice. Dr. FitzGerald emphasized the need for the control to prevent in some instances this country from disturbing the international movement of scarce commodities by reason of its strong purchasing power, and in other instances preventing the draining of commodities from this country to countries that have dollar purchasing power thereby diverting such commodities from the countries having the greatest need therefor, with resulting impact upon the price structure in this country by reason of the free play of world demand in our market.

Dr. FitzGerald informed the Chairman that, since he had heard the question raised several times as to the desirability of the CCC procurement program, he felt the committee might be interested in some statistical material he had gathered for another purpose. These statistics showed that in France the US Government-operated procurement programs had met all of their shipping schedules as of the end of the first five months of this year, whereas the programs operated through private exporters had failed to meet their schedule to the extent of 45,000 tons. He pointed out that this figure could not be taken as entirely indicative of the situation because of various other factors such as shipping entering into the problem.

Senator Cooper then stated that a representative of the Army had testified at the hearing that the Department of Agriculture had failed substantially in meeting the requirements of the Army for the occupied zones in Europe during the early part of this year, and that he understood that some shipments for the occupied zone had been diverted elsewhere. Dr. FitzGerald stated that he questioned those statements because arrangements for shipping were made by the Department of Agriculture well in advance of shipment, and that the only shipments that had been diverted were diverted with the consent of and agreement of the Army. He stated further that he understood the occupied zone fell some 400,000 tons short

of their estimate, whereas the short fall as far as United States requirement was concerned amounted to 45,000 tons, the remainder being made up of diversions in the occupied zones. He uses that the occupation authorities had not anticipated at the time that their estimates were made, as well as failure to collect a very substantial quantity of grain in the occupied zone. He further pointed out that the occupation authorities were possibly talking about an estimate that they had made after Mr. Hoover's trip whereas the War Department had adopted Mr. Hoover's recommendation and estimate of the amount of grain required. Senator Cooper said the only reason he had mentioned the Army's testimony was the fact that Dr. FitzGerald had submitted the aforementioned figures with respect to the French program.

Because of the extended questioning of Dr. FitzGerald with respect to the international food situation, the Chairman stated that he had only one question to ask of Mr. Dodd and that was as to how many self-balers that used baler twine were in use in the United States at that time. Mr. Dodd said he did not have that information available but would obtain it if the committee so desired. He did furnish the committee with statistics as to the quotas and use of baler and twine.
binder

The Chairman asked if Mr. Dodd was familiar with the linseed oil situation, whereupon Mr. Hermann was asked to explain that matter, since the Chairman said someone from the industry had testified that they were prevented from obtaining linseed oil from Argentina, although there was substantial supply in Argentina, because the Government wanted to maintain the price level in this country because of the support price program, the price in this country being some 30¢ as against the availability in the Argentina at 14¢. Mr. Hermann said the Argentine Government had complete control of the distribution of linseed oil in that country and had established a policy of refusing to sell linseed oil except on a government-to-government basis. The committee was informed that in the first six or seven months of 1946 a specialist was in Argentina for this Government to attempt to obtain some linseed oil in order to alleviate the situation in this country. However, this mission was unsuccessful. In the early fall a committee was sent to Argentina for the same purpose. By reason of the efforts of this committee, the CCC was able to purchase some 40,000 tons of linseed oil and the British Government entered into contract for 100,000 tons; however, the British acquisition was conditioned upon their acquiring a specific amount of meal for each ton of oil. Hereafter, in the last few months of 1946, this Government endeavored to have acquisition of linseed oil from the Argentine made through private importers. However, the trade was unable to obtain a pound of oil, although it was understood strenuous efforts were made by the trade to negotiate purchase in Argentina, the policy of the Argentine Government being to obtain as much as possible for this oil. The sales that were effected by the Argentine Government to other governments, including our own, ranged in prices from 30¢ to 45¢ f.o.b. or alongside ship Buenos Aires. Therefore, statements quoted by the Senator could not have been made by anyone familiar with the linseed oil situation in the Argentine. These statements by Mr. Hermann were corroborated by Dr. FitzGerald.

It is understood that this closed the export-control hearings.

Carl R. Sapp*, RIF

*On basis of notes from Messrs. Farrington and Bucy.

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 20, 1947
For actions of June 19, 1947
80th-1st, No. 116

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HIGHLIGHTS: Senate agreed to conference report on wool bill. Senate received nomination of Wells to be Cooperative Bank Commissioner, FCA. Senate received USDA proposal to repeal certain minimum-allotment provisions re tobacco. Senate committee approved Lodge bill to create Commission on Organization of Executive Branch. Senate committee approved bills to continue export-control, allocations and priorities powers. Rep. Keating criticized USDA's destruction of surplus potatoes. Rep. Ellis criticized "propaganda activities", particularly in USDA, regarding appropriations.

SENATE

1. WOOL-PRICE SUPPORTS. Agreed, 48-38, to the conference report on S. 814, the wool bill (pp. 7413, 7418-33). A large portion of the debate was on the import-control provision, concerning which Sen. Barkley inserted letters from Secretary Marshall and former Secretaries Hull and Stimson, criticizing the provision (p. 7429). This bill will now be sent to the President.
2. HOUSING. Agreed to the conference report on H. R. 3203, the rent-control bill (pp. 7436-40, 7445-9). There was no discussion of the roads-to-forests item, which was not agreed to by the conferees. This bill will now be sent to the President.
3. FCA NOMINATION. Received from the President the nomination of James E. Wells, Jr., to be Cooperative Bank Commissioner of FCA (p. 7454).
4. FOREIGN RELIEF. Sen. Smith, N. J., inserted Herbert Hoover's letters on the economic situation in Europe (pp. 7413-6).
5. AAA; TOBACCO. Received from this Department a proposed bill to repeal certain minimum-allotment provisions regarding tobacco; to Agriculture and Forestry Committee (p. 7433).
6. FOOT-AND-MOUTH DISEASE. Both Houses received from this Department the 30-day report on the Mexican foot-and-mouth disease campaign; to Senate Agriculture and Forestry Committee and House Agriculture Committee (pp. 7433, 7497).
7. REORGANIZATION. The Expenditures in the Executive Departments Committee voted to report without amendment S. 164, to provide for a Commission on Organization of the Executive Branch (p. D405). The report was not actually submitted. Sen. Lodge, Mass., commended the Committee for this action (p. 7436).

8. RESEARCH. The Executive Expenditures Committee discussed, and gave final instructions for drafting a modified version of, S. 493, the technical information and services bill (p. D405).
9. INTERGOVERNMENTAL RELATIONSHIPS. The Executive Expenditures Committee selected a subcommittee (Sens. Bricker, chairman; Hickenlooper, Thye, Hoey, and O'Connor) to study this matter (p. D405).
10. WAR POWERS. The Judiciary Committee voted to report S. 1461, to extend temporarily certain powers under the 2nd War Powers Act regarding allocations and priorities, and S. 1460, to continue the Export Control Act (p. D405). The reports were not actually submitted.

11. COMMUNICATIONS. S. 816, as reported (see Digest 112) repeals the mandatory special rate for Government telegrams; and authorizes the Federal Communications Commission under the Communications Act of 1934, to prescribe charges, classifications, regulations and practices, including priorities, applicable to Government telegrams. The bill would be effective on the 10th day following the date of enactment.

HOUSE

12. PERSONNEL; VETERANS' BENEFITS. Passed as reported H.R. 1389, to amend the Veterans' Preference Act by defining the term "active duty", which is required for eligibility under the Act, as "active duty in any branch of the armed forces of the United States" shall mean active full-time duty with military pay and allowances in any branch of the armed forces during any war or in any campaign or expedition (for which a campaign badge has been authorized)" (pp. 7564-7).

Passed as reported H.R. 966, to amend sec. 14 of the Veterans' Preference Act so as to make it mandatory for an administrative officer to take corrective action recommended by CSC in the case of appeals made by preference eligibles because of discharge, suspension, demotion, etc. (pp. 7567-9).

The "Daily Digest" states that the Post Office and Civil Service Committee "ordered*favorably reported, with amendment, H.R. 1426, extending veterans' preference to widowed mothers of veterans under certain conditions" (p.D407).

* Copies of the bill and report will not be available until the bill is actually reported, when this Digest will include a statement to that effect.

13. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H.R. 1995, to amend the Civil Service Retirement Act to provide for the return of the amount of deductions from the compensation of any employee who is separated from the service or transferred to a position not within the purview of such act before completing ten years of service (H.Rept. 615) (p. 7497).

The "Daily Digest" states that the bill has been amended to "make it retroactive to January 24, 1942" (p. D408).

The Post Office and Civil Service Committee reported without amendment H.R. 3813, to provide for removal from, and the prevention of appointment to, offices or positions in the executive branch of the Government of persons who are found to be disloyal to the U.S. (H.Rept. 616) (p. 7497).

14. MARKETING. In reporting H.R. 452 (see Digest 112) to amend the Agricultural Marketing Agreement Act, the Agriculture Committee struck out the provision authorizing the inclusion of additional commodities under the Act by a referendum vote of the majority of the producers of a commodity, and amended the bill so that provisions of the Act would be applicable only to the following commodities, other than milk and its products: "fruits (including pecans and walnuts but not including apples, other than apples produced in the States of

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Division of Legislative Reports
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80th-1st, No. 119

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HIGHLIGHTS: Senate passed deficiency appropriation bill which includes items on foot-and-mouth disease, deficiency obligations, terminal leave from 1947 funds, and ARA buildings. Senate committee reported measures to end certain war powers and continue others. Rep. Murray, Wis., indicated belief that SCS funds are adequate, said "New Dealers...voted to liquidate the sheep business", and said "administration has allowed milk to sell below the floor". Senate passed measure to continue RFC without change; House Rules cleared similar bill.

SENATE

1. SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947. Passed as reported this bill, H. R. 3791 (pp. 7697). For its provisions see Digests 117 and 110. Sens. Bridges, Brooks, Gurney, Ball, McKellar, Hayden, and Tydings were appointed conferees (p. 7697).
2. LABOR. Over-rode, 68-25, the veto of H. R. 3020, the labor-management bill (pp. 7677-92). The bill now becomes law.
3. WAR POWERS. The Judiciary Committee reported with amendments S. J. Res. 123, declaring that in interpreting certain laws and proclamations World War II, the limited emergency, and the unlimited emergency shall be construed as terminated and peace established (S. Rept. 339); and S. 1461, to continue certain powers under the Second War Powers Act (S. Rept. 340)(p. 7693).
4. ELECTRIFICATION. Received from the Federal Power Commission its report on "Electric Utility Depreciation Practices," 1945; to Interstate and Foreign Commerce Committee (p. 7692).
5. SURPLUS PROPERTY. Received from the Wis. Legislature a memorial asking discontinuance of disposal of surplus war goods until a "new and adequate system" can be worked out, and asking for an investigation (p. 7693).
6. HEALTH. At Sen. Aiken's request, transferred the President's health message from the Expenditures Committee to the Labor and Public Welfare Committee (p. 7694).
7. FLOOD CONTROL. Sens. Butler and Wherry, Nebr., spoke in favor of additional funds for flood control and mentioned farm damage from floods (pp. 7695-6).

8. FORESTS. Passed as reported S. 616, to authorize creation of a game refuge in Francis Marion National Forest, S.C. (p. 7698).
9. FISH. Passed as reported S. 682, to regulate interstate transportation of black bass and other game fish (p. 7698).
10. RECONSTRUCTION FINANCE CORPORATION. Passed without amendment S.J.Res. 135, to continue RFC without change until June 30, 1948 (p. 7705).
11. MILITARY LEAVE. Passed without amendment H.R. 1845, to amend laws regarding such leave to certain U.S. employees so as to equalize rights to leave and re-employment for such employees who are members of the Enlisted or Officers' Reserve Corps, the National Guard, or the Naval Reserve (p. 7706). This bill will now be sent to the President.
12. ASSISTANT SECRETARY OF COMMERCE. Passed without amendment S. 1421, to provide for an additional Assistant Secretary of Commerce (p. 7712).
13. NAVAL APPROPRIATION BILL, H.R. 3493, was reported with amendments (S. Rept. 338) (p. 7693).

HOUSE

14. SOIL CONSERVATION; WOOL; MILK PRICE SUPPORTS. Rep. Murray, Wis., stated that "the New Dealers...voted to liquidate the sheep business...on June 16, 1947", that "it is difficult to see how the Soil Conservation Service can complain" about appropriations, and that "the administration has allowed milk to sell below the floor guaranteed by law" (p. 7716-7).
15. R.F.C. EXTENSION. The Rules Committee reported a resolution for the consideration of H.R. 3916, the RFC extension bill (pp. 7720, 7732).
16. FLOOD CONTROL. Rep. Curtis, Nebr., urged emergency assistance to control floods in southwest Nebr. (p. 7715).
17. FOREIGN AFFAIRS. Rep. Courtney, Tenn., spoke favoring H.R. 3342, the information and educational exchange bill (p. 7718).

BILLS INTRODUCED

18. PERSONNEL. S. 1492, by Sen. Langer, N. Dak., to amend the Social Security Act so as to provide unemployment compensation for Federal employees; and to provide benefits for Federal employees involuntarily separated from employment. To Civil Service Committee. (p. 7693.)
S. 1493, by Sen. Langer, N. Dak., "to amend section 19 of the Veterans' Preference Act. To Civil Service Committee. (p. 7693.)
S. 1494, by Sen. Langer, N. Dak., "to amend section 14 of the Veterans' Preference Act. To Civil Service Committee. (p. 7693.)

ITEMS IN APPENDIX

19. APPROPRIATIONS. Sen. Magnuson, Wash., inserted his statement before the Senate Appropriations Committee urging that adequate appropriations be made for SCS, APC, crop insurance, forest roads and trails, and REA (pp. A3268-72).
20. FARM PROGRAM. Extension of remarks of Rep. Lenke, N. Dak., defending the farmers' position in the question of high food prices and including a United

praying that the Senate override the President's veto of the Taft-Hartley labor relations bill; ordered to lie on the table.

Telegrams and a letter in the nature of petitions from the International Brotherhood of Electrical Workers, Local Union 1186, Honolulu, T. H.; Charles Lazzio, president, Dyers Local No. 1733, Paterson, N. J., and D. E. Covis, Columbus, Ohio, praying that the Senate sustain the President's veto of the Taft-Hartley labor relations bill; ordered to lie on the table.

A resolution adopted by the American Newspaper Guild at Sioux City, Iowa, commending Senators BARKLEY and MORSE in their efforts to sustain the President's veto of the labor bill; ordered to lie on the table.

By Mr. CAPPER:

A petition signed by 40 citizens of Manhattan, Kans., praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

A petition signed by 103 citizens of Spokane, Wash., praying for the enactment of Senate Joint Resolution 76, proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WILEY:

A joint resolution of the Legislature of the State of Wisconsin; to the Committee on Expenditures in the Executive Departments:

"Senate Joint Resolution 51

"Joint resolution memorializing the Congress of the United States to halt all disposal of war surplus goods

"Whereas after World War I a scandal resulted from the corrupt manner in which the sale of surplus war goods was handled and futile investigations did nothing more than to serve as a warning against future recurrences of the same sort of scandal; and

"Whereas there is ample evidence at the present time of inefficiency, favoritism, dishonesty, graft, and corruption in the methods being employed in the disposal of war surplus goods; and

"Whereas the misuse of privities, unscrupulous dealings, and various other types of favoritism as well as the misuse of veterans' privileges in the disposal of war surplus goods is adversely affecting the rights of the honest veteran seeking to avail himself of his priorities in acquiring surplus goods; and

"Whereas in many instances unused but useable materials are being dishonestly disposed of as junk or scrap to favored buyers; and

"Whereas an improved system for the disposal of war surplus goods must be immediately developed if a major scandal is to be averted: Now, therefore, be it

"Resolved by the senate (the assembly concurring), That the Congress of the United States is respectfully requested to provide by law for an immediate stoppage of all disposal of World War II surplus material until a new and adequate system of disposal can be worked out; and be it further

"Resolved, That Congress is respectfully requested to thoroughly investigate the present system of war surplus disposal and take steps to see that present corruption in the disposal of such goods is brought to light; and be it further

"Resolved, That duly attested copies of this resolution be immediately transmitted to the clerks of both Houses of the Congress of the United States and to each Member of the Congress from this State."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SALTONSTALL, from the Committee on Appropriations:

H. R. 3493. A bill making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes; with amendments (Rept. No. 338).

By Mr. WILEY, from the Committee on the Judiciary:

H. R. 1585. A bill for the relief of Adolph Pfannenstiehl; with an amendment (Rept. No. 341);

H. R. 1956. A bill for the relief of Hugh C. Gilliam; with an amendment (Rept. No. 342); and

S. J. Res. 123. Joint resolution declaring that in interpreting certain acts of Congress, joint resolutions, and proclamations World War II, the limited emergency, and the unlimited emergency shall be construed as terminated and peace established; with amendments (Rept. No. 339).

By Mr. COOPER, from the Committee on the Judiciary:

S. 1461. A bill to extend certain powers of the President under title III of the Second War Powers Act; with amendments (Rept. No. 340).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN:

S. 1491. A bill to amend the Social Security Act with respect to State plans for aid to the blind; to the Committee on Finance.

By Mr. LANGER:

S. 1492. A bill to amend the Social Security Act so as to provide unemployment compensation for Federal employees; to provide benefits for Federal employees involuntarily separated from employment; and for other purposes;

S. 1493. A bill to amend section 19 of the Veterans' Preference Act of June 27, 1944 (58 Stat., 387), and for other purposes; and

S. 1494. A bill to amend section 14 of the Veterans' Preference Act of June 27, 1944 (58 Stat. 387); to the Committee on Civil Service.

S. 1495. A bill to amend section 346 of the Nationality Act of 1940, as amended, so as to permit the making of copies by Government agencies of certain immigration and naturalization papers; to the Committee on the Judiciary.

S. 1496. A bill relating to training on the job for veterans who are lawyers; to the Committee on Labor and Public Welfare.

PRESIDENTIAL SUCCESSION—AMENDMENTS

Mr. RUSSELL and Mr. McCLELLAN each submitted amendments intended to be proposed by them, respectively, to the bill (S. 564) to provide for the performance of the duties of the office of President in case of the removal, resignation, or inability both of the President and Vice President, which were severally ordered to lie on the table and to be printed.

Mr. McMAHON submitted an amendment in the nature of a substitute intended to be proposed by him to Senate bill 564, supra, which was ordered to lie on the table and to be printed.

DAVID I. WALSH—TRIBUTE BY WILLIAM H. McMASTERS

[Mr. LANGER asked and obtained leave to have printed in the RECORD a tribute to David I. Walsh, by William H. McMasters, of Belmont, Mass., which appears in the Appendix.]

EXCERPT FROM A SPEECH BY SENATOR BREWSTER ON AMERICAN HELP TO OTHER NATIONS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an excerpt from a speech on the subject of American help to other nations, delivered by Senator BREWSTER on June 14, 1947, at Flag Day exercises in Philadelphia, which appears in the Appendix.]

IMPORTANCE AND ATTRACTIVENESS OF THE TEACHING PROFESSION—ARTICLE BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "So You Don't Want To Be a Teacher" written by him, and published in the June 21, 1947, issue of the magazine Forward—For Young People, which appears in the Appendix.]

AMERICA'S NEW ROLE IN WORLD LEADERSHIP—SPEECH BY SENATOR THYE

[Mr. MCCARTHY asked and obtained leave to have printed in the RECORD a speech entitled "America's New Role in World Leadership," delivered by Senator THYE at the commencement exercises at Carroll College, Waukesha, Wis., on June 9, 1947, which appears in the Appendix.]

FLOOD CONTROL—STATEMENT BY SENATOR MYERS BEFORE HOUSE APPROPRIATIONS SUBCOMMITTEE

[Mr. MYERS asked and obtained leave to have printed in the RECORD a statement made by him before the House of Representatives Appropriations Subcommittee considering flood control and rivers and harbors items in the Army civil functions appropriation bill for the fiscal year beginning July 1, 1947, which appears in the Appendix.]

STATEMENT BY SENATOR MAGNUSON BEFORE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE APPROPRIATION BILL, 1948

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD a statement by himself to be made before the Senate Appropriations Subcommittee on the Department of Agriculture appropriation bill, 1948, which appears in the Appendix.]

SPEECH BY SENATOR PEPPER IN SUPPORT OF THE PRESIDENT'S VETO OF THE LABOR BILL

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a radio speech delivered by him on June 22, 1947, in support of the President's veto of the labor bill, which appears in the Appendix.]

HARRY F. SINCLAIR AND THE ANGLO-AMERICAN OIL TREATY—ARTICLE BY HAROLD L. ICKES

[Mr. TAYOR asked and obtained leave to have printed in the RECORD an article by Harold L. Ickes, dealing with Harry F. Sinclair and the pending Anglo-American oil treaty, published in the New York Post of June 20, 1947, which appears in the Appendix.]

MUST WE HAVE ANOTHER DEPRESSION?—ARTICLE BY LEON H. KEYSERLING

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an article entitled "Must We Have Another Depression?" written by Leon H. Keyserling, and published in the New York Times of June 8, 1947, which will appear hereafter in the Appendix.]

SPENDING BY GOVERNMENT DEPARTMENTS—ARTICLE BY HERMAN A. LOWE

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an article dealing with the buying of 1948 supplies with 1947 funds by Government departments, by Herman A. Lowe, published in the Philadelphia Inquirer of June 19, 1947, which appears in the Appendix.]

CONGRESS AND HOUSING—EDITORIAL COMMENT

[Mr. LODGE asked and obtained leave to have printed in the RECORD an editorial entitled "Congressional Failure," published in the Haverhill (Mass.) Gazette of June 2, 1947, and an editorial entitled "Housing—This Session of Congress?" published in the South Boston Gazette of June 13, 1947, which appears in the Appendix.]

PUBLIC POWER IN THE NORTHWEST—EDITORIAL FROM THE SEATTLE STAR

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an editorial entitled "New Attack on Public Power Is Threat to Northwest," published in the Seattle Star of June 13, 1947, which appears in the Appendix.]

AMENDMENT OF PUBLIC HEALTH SERVICE ACT—CHANGE OF REFERENCE

Mr. AIKEN. Mr. President, under date of June 11, 1947, the Social Security Administrator communicated to the President of the Senate a draft of a bill amending the Public Health Service Act. His communication and the draft of the bill were referred to the Committee on Expenditures in the Executive Departments. That committee has examined the bill and has ascertained that all matters in it naturally come under the jurisdiction of the Committee on Labor and Public Welfare. So I ask unanimous consent that the Committee on Expenditures in the Executive Departments be discharged from the further consideration of the communication and bill and that they be referred to the Committee on Labor and Public Welfare, where they evidently belong.

The PRESIDENT pro tempore. Without objection, the change of reference will be made.

STATEMENT BY COMMITTEE ON THE JUDICIARY DEALING WITH PRESIDENT'S MESSAGE ON PORTAL-TO-PORTAL ACT OF 1947

Mr. DONNELL. Mr. President, on May 14, 1947, the President of the United States signed the Portal-to-Portal Act of 1947. On the same day he sent to the Congress a message with respect to his action on that measure. On the same day it was announced by the temporary Presiding Officer of the Senate that the message would be referred to the Committee on the Judiciary.

Today the Committee on the Judiciary approved a statement with respect to the message from the President. I now present to the Senate, on behalf of that committee, the statement so approved, and ask unanimous consent that it be incorporated at this point in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

To the Senate of the United States:

ITEM I

This communication is sent you by reason of two portions of that certain message of

May 14, 1947, from the President of the United States to the Congress of the United States in which he notified Congress of the fact that he had that day signed H. R. 2157, the Portal-to-Portal Act of 1947.

ITEM II

The first of those two portions of said message is constituted of the first two sentences in the fifth paragraph from the opening of the message which paragraph reads as follows, namely:

"Section 2 of the act relates to existing claims. From my consideration of this section I understand it to be the intent of the Congress to meet the problem raised by portal-to-portal claims, but not to invalidate all other existing claims. The plain language of section 2 of the act preserves minimum wage and overtime compensation claims based upon activities which were compensable in any amount under contract, custom, or practice. Various provisions of the act such as sections 3, 9, and 12, would be rendered absurd or unnecessary under any other interpretation. Moreover a contrary interpretation would raise difficult and grave questions of constitutionality."

In order to recall what existing claims are comprehended within those from which is granted relief by section 2 of the Portal-to-Portal Act of 1947, there are below quoted subsections (a), (b), and (c) of said section 2, as follows, namely:

"(a) No employer shall be subject to any liability or punishment under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act (in any action or proceeding commenced prior to or on or after the date of the enactment of this act), on account of the failure of such employer to pay an employee minimum wages, or to pay an employee overtime compensation, for or on account of any activity of an employee engaged in prior to the date of the enactment of this act, except an activity which was compensable by either—

"(1) an express provision of a written or nonwritten contract in effect at the time of such activity between such employee, his agent, or collective-bargaining representative and his employer; or

"(2) a custom or practice in effect, at the time of such activity, at the establishment or other place where such employee was employed covering such activity not inconsistent with a written or nonwritten contract in effect at the time of such activity between such employee, his agent, or collective-bargaining representative and his employer."

"(b) For the purposes of subsection (a), an activity shall be considered as compensable under such contract provision or such custom or practice only when it was engaged in during the portion of the day with respect to which it was so made compensable."

"(c) In the application of the minimum-wage and overtime-compensation provisions of the Fair Labor Standards Act of 1938, as amended, of the Walsh-Healey Act, or of the Bacon-Davis Act, in determining the time for which an employer employed an employee, there shall be counted all that time, but only that time, during which the employee engaged in activities which were compensable within the meaning of subsections (a) and (b) of this section."

If, for illustration, walking engaged in prior to the date of the enactment of the Portal-to-Portal Act of 1947, done in the morning shortly prior to entry on his operation of a lathe by an employee, in going from the entrance of the plant in which he was employed to such lathe, was not compensable by either (1) an express provision of a written or nonwritten contract in effect, at the time of such walking, between such employee, his agent, or collective-bargaining representative and his employer; or (2) a custom or practice in effect, at the time of such walking, at the establishment or other place where such employee was employed,

covering such walking, not inconsistent with a written or nonwritten contract, in effect at the time of such walking, between such employee, his agent, or collective-bargaining representative and his employer, there is no liability, and no punishment inflexible, under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act (in any action or proceeding commenced prior to or on or after the date of the enactment of the Portal-to-Portal Act of 1947) on the employer on account of his failure to pay said employee minimum wages, or to pay said employee overtime compensation, for or on account of said walking.

For further illustration, if a woman employed to sew upon garments in a production line did, prior to the date of the enactment of the Portal-to-Portal Act of 1947, for 2 hours per day for a week, after having engaged on each respective day in part of her day's sewing, wait in that production line for garments to reach her and neither (1) by an express provision of a written or nonwritten contract in effect, at the time of said waiting, between her, her agent, or collective-bargaining representative and her employer, nor (2) by a custom or practice in effect, at the time of said waiting, at the establishment or other place where she was employed, covering such waiting, not inconsistent with a written or nonwritten contract, in effect at the time of such waiting, between her, her agent, or collective-bargaining representative and her employer, was said waiting compensable, there is no liability, and no punishment inflexible, under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act (in any action or proceeding commenced prior to or on or after the date of the enactment of the Portal-to-Portal Act of 1947), on her employer on account of his failure to pay her minimum wages, or to pay her overtime compensation, for or on account of said waiting.

Attention is called to the following quoted paragraph which is set forth in the course of the statement of the managers on the part of the House contained in House of Representatives Report No. 326, Eightieth Congress, first session, namely:

"The conference agreement (sec. 2 (b)) contains a provision not stated expressly in either bill, that an activity shall be considered as compensable under the above referred to contract provision or custom or practice only when it was engaged in during the portion of the day with respect to which it was so made compensable. Under this provision, for example, if under the contract provision or custom or practice an activity was compensable only when engaged in between 8 and 5 o'clock but was not compensable when engaged in before 8 or after 5 o'clock, it will not be considered as a compensable activity when engaged in before 8 or after 5 o'clock. So also, if under the contract provision or custom or practice an activity was compensable when engaged in before 8 but was not compensable when engaged in after 5 o'clock, it will not be compensable under the bill as agreed to in conference when engaged in after 5 o'clock. So also, if under the contract provision or custom or practice an activity was compensable during a certain portion of the regular work-day but was not compensable when engaged in during other hours of the regular work-day, it will not be compensable under the bill as agreed to in conference when engaged in during such other hours."

ITEM III

The second of those two portions, which are mentioned hereinabove in item I, of said message from the President of the United States reads as follows, namely:

"I wish also to refer to the so-called 'good faith' provisions of sections 9 and 10 of the act. It has been said that they make such employer his own judge of whether or not he has been guilty of a violation. It seems

SECOND DECONTROL ACT OF 1947 EXTENDING POWERS
TO CONTROL EXPORTS AND CERTAIN POWERS UNDER
TITLE III, SECOND WAR POWERS ACT

JUNE 23 (legislative day, APRIL 21), 1947.—Ordered to be printed

Mr. COOPER, from the Committee on the Judiciary, submitted the
following

REPORT

[To accompany S. 1461]

The Committee on the Judiciary, to whom was referred the bill (S. 1461) to extend certain powers of the President under title III of the Second War Powers Act, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

On March 19, 1947, the President sent a message to Congress recommending that the authority derived from the Export Control Act be extended for a period of 1 year beyond its present expiration date of June 30, 1947. On May 22, 1947, the President sent another message to the Congress recommending extension of title III of the Second War Powers Act for certain purposes for a period of 1 year to June 30, 1948. Both messages were referred to the Senate Committee on the Judiciary which appointed a subcommittee to hold hearings and make a study thereon. Such study resulted in the introduction of two bills, S. 1460 and S. 1461, which bills were referred to the Judiciary Committee and after further study were consolidated into one bill which is reported herewith.

DECISION

The committee recommends that the powers of the President, under the two acts mentioned above, be extended until June 30, 1948, with certain limitations and with provisions relating to their administration. These provisions are included in one bill, it being the sense of the committee that the powers under the Export Control Act and under title III of the Second War Powers Act are related and complementary.

I. HISTORY AND ADMINISTRATION OF EXPORT CONTROLS AND WAR POWERS ACT

A. EXPORT CONTROL ACT

1. *History*

The act of July 2, 1940, to expedite the strengthening of national defense, in section 6 authorized the President for a period of 2 years, whenever necessary for the defense of the Nation, to prohibit or curtail the exportation of any military equipment or munitions, or component parts thereof, or machinery, tools, material, or supplies necessary for the manufacture, servicing, or operation thereof.

In Executive Order 8900, dated September 15, 1941, the President delegated his powers and functions under said section 6 to the Board of Economic Warfare.

Public Law 638 of the Seventy-ninth Congress, approved June 30, 1942 (56 Stat. 463), extended said authority for 2 years and amended section 6 of the act of July 2, 1940, to read as follows:

SEC. 6. (a) The President is hereby authorized to prohibit or curtail the exportation of any articles, technical data, materials, or supplies, except under such rules and regulations as he shall prescribe.

(b) Unless the President shall otherwise direct, the functions and duties of the President under this section shall be performed by the Board of Economic Warfare.

(c) In case of the violation of any provision of any proclamation, rule, or regulation issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than two years, or by both such fine and imprisonment.

(d) The authority granted by this section shall terminate on June 30, 1944, or upon any prior date which the Congress by concurrent resolution, or the President, may designate; except that as to offenses committed, or rights or liabilities incurred prior to such date, the provisions of this section and such rules, regulations, and proclamations shall be treated as remaining in effect for the purpose of sustaining any suit, action, or prosecution with respect to such right, liability, or offense.

Public Law 397 of the Seventy-eighth Congress, approved July 1, 1944 (58 Stat. 671), extended said authority for 1 year and amended section 6 (d) accordingly.

Public Law 99 of the Seventy-ninth Congress, approved June 30, 1945 (59 Stat. 270), extended said authority for 1 year, and amended section 6 (d) accordingly.

Public Law 389 of the Seventy-ninth Congress, chapter 269, of the second session, extended said authority for an additional year to June 30, 1947.

In Executive Order 9630, dated September 27, 1945, the President delegated his powers and functions under said section 6 to the Department of Commerce.

Senate bill 1461 was introduced to extend controls for an additional year to June 30, 1948.

2. *Administration*

(a) *Allocation of food.*—The commodities subject to export-licensing control may be divided into three main categories—first, food; second, coal; and third, industrial materials generally.

Food allocations are in the first instance recommended on a world basis by the International Emergency Food Council (IEFC), an

international advisory organization in which this Government holds membership and in which it participates.

Members of the Council are:

Australia	Finland	Poland
Austria	France	Portugal
Belgium	Greece	Republic of the Philip-
Brazil	Hungary	pines
Canada	India	Siam
Chile	Ireland	Sweden
China	Italy	Switzerland
Cuba	Mexico	Turkey
Czechoslovakia	Netherlands	Union of South Africa
Denmark	New Zealand	United Kingdom
Ecuador	Norway	United States
Egypt	Peru	

The Secretary of Agriculture represents the United States on the Council.

By Executive order, the Department of Agriculture is responsible for the United States food program. It takes part in the discussions of the appropriate share of the world food deficit to be met by United States exports. The final decision as to total United States exports and allocations to countries is made by the Department of Agriculture, after consultation with other Government agencies.

Allocations of quotas are made country by country or, in some cases, by groups of countries. They are communicated to the public and to the Department of Commerce for licensing purposes.

(b) *Licensing of food.*—The function of the Department of Commerce (apart from its participation in the formulation of the initial allocation decision) is the distribution of the quota among exporters.

In carrying out this function, export licenses are issued by the Office of International Trade in the Department of Commerce against the allocations determined by the Department of Agriculture.

Three techniques are employed in the licensing and export of allocations of food, as follows:

(1) Some allocations are effected through direct government-to-government transactions. The Production and Marketing Administration of the Department of Agriculture has the authority to purchase food for export, and sell in bulk foodstuffs direct to foreign governments. In this type of transaction the Department of Commerce receives a statement from the Department of Agriculture that a certain item and amount is a direct government-to-government transaction. The Department of Commerce issues the necessary license to the Department of Agriculture providing for clearance through customs of the designated shipments.

(2) A second type of license is granted on the recommendation of a foreign government, to a commercial exporter nominated by such government.

(3) The third and most largely used type of license is that issued to commercial exporters against the country quota. Distribution of such licenses is fixed on a basis of 85 percent to historical exporters and 15 percent to newcomers. Historical exporters are defined by the Department of Commerce as those who made shipment of the commodity concerned to the destination concerned during a base period considered appropriate after consultation with the trade and various Government agencies whose activities have given them knowledge of trade practices.

(e) *Allocation of coal.*—Allocations to countries of coal are recommended to the Department of Commerce by the United States Coal Operating Committee, an advisory agency in Washington, established as an informal group and on which the Departments of State, Commerce, and Interior, the Office of Defense Transportation, and the Maritime Commission are represented.

Its recommendations are made upon review of the requirements of foreign countries seeking coal from the United States and consideration of the recommendations of the European Coal Organization, an international agency which observes the world sources of supply and requirement, using information submitted by the Department of Commerce concerning domestic production and needs.

(d) *Licensing of coal.*—Licenses are issued for exports to specific countries by port of exit, to private exporters by the Office of International Trade in the Department of Commerce. The following agencies assist in the exportation of coal:

(1) The Office of Defense Transportation (ODT) determines the availability of rail transportation to move coal to ports and issues appropriate priorities.

(2) The Maritime Commission determines the availability of oceanic transportation and issues appropriate priorities for shipment to foreign piers.

(e) *Allocations of industrial materials.*—The Office of International Trade of the Department of Commerce develops estimates of exportable surpluses, usually by calendar quarters which are presented to an advisory committee, called the export policy committee. This committee consists of a chairman responsible to the Secretary of Commerce, and includes representatives of the Departments of Commerce, State, Agriculture, Interior, the Office of Defense Transportation, and the Housing Expediter.

This committee reviews export estimates made by the Department of Commerce on the basis of their impact on the domestic economy and makes recommendations to the Department of Commerce.

(f) *Licensing of industrial materials.*—The function of licensing industrial materials is performed by the Office of International Trade (OIT) of the Department of Commerce. This licensing is handled on a straight commercial basis, with some few exceptions such as tin plate.

B. TITLE III—SECOND WAR POWERS ACT

On June 28, 1940, the First Priorities Act was approved (54 Stat. 676). This act conferred upon the President the power to assign priorities for certain war contracts. This act was amended by the act of May 31, 1941 (55 Stat. 236), which broadened the priorities power and added the power to allocate materials and facilities in short supply. Title III of the Second War Powers Act, approved March 27, 1942 (56 Stat. 176), added certain administrative features to the earlier acts. This legislation authorized the President to assign priorities for the delivery of materials under contract or orders of the Army or Navy, lend-lease, contracts or orders which the President deemed necessary or appropriate for the defense of the United States, and subcontracts or suborders which the President deemed necessary or appropriate for any of the foregoing contracts or orders. He was also authorized, whenever satisfied that the fulfillment of requirements for

the defense of the United States would result in a shortage of the supply of any material or of any facility for defense, for private account, or for export, to allocate such material or facility in such manner and upon such conditions and to such extent as he should deem necessary or appropriate in the public interest and to promote the national defense.

By Executive Order No. 9025 of April 7, 1942, the President delegated his allocation and priorities powers to the Chairman of the War Production Board. Powers as to foods were vested in the Secretary of Agriculture and as to transportation equipment in the Office of Defense Transportation. In November, 1945, the War Production Board was terminated by subsequent Executive order, and the powers and functions of the Chairman were transferred to the Administrator of the Civilian Production Administration. Thereafter, by Executive Order 9809 of December 12, 1946, the President consolidated the functions of the Civilian Production Administration into the Office of Temporary Controls and transferred the powers of the Administrator of the Civilian Production Administration to the Temporary Controls Administrator. Finally, by Executive Order 9841 of April 23, 1947, the title III powers remaining in the Temporary Controls Administrator were transferred to the Secretary of Commerce.

Subsequent to its approval on March 27, 1942, title III of the Second War Powers Act was extended from time to time, down to March 31, 1947 (Public Law 509, 78th Cong.; Public Law 270, 79th Cong.; Public Law 475, 79th Cong.). On that day, March 31, 1947, Congress passed and the President approved the First Decontrol Act of 1947. The First Decontrol Act provided that title III of the Second War Powers Act shall remain in force until June 30, 1947, for the following purposes:

(a) Allocations of cinchona bark and cinchona alkaloids, manila (abaca) fiber and cordage, agave fiber and cordage, tin and tin products, antimony and streptomycin; (b) allocations limited to control of production for export of tractors; (c) allocations of the use of transportation equipment and facilities by rail carriers; (d) allocations of materials or facilities for export which are required to expand the production in foreign countries of materials critically needed in the United States; (e) allocations of materials or facilities which are certified by the Secretaries of State and Commerce as necessary to meet international commitments.

The act provided, however, that any materials or facilities which were not being allocated on March 24, 1947, shall not be allocated thereafter under the provisions of such title III.

In his message to the Congress on May 22, 1947, the President did not request the continuance of controls over streptomycin or of production for export of tractors. It may be noted here that control of the use of transportation equipment and facilities by rail carriers, provided for in the First Decontrol Act, is covered by a separate bill (S. 1297), now on the Senate Calendar, and is not included in the present bill.

II. SCOPE AND IMPLICATIONS OF POWERS

The committee believes that the scope and implications of the powers granted in wartime, and now exercised in peacetime by the President under these acts, must be recognized, if efficient administration and

early decontrol are to be achieved. A brief discussion of some of the important considerations follows.

A. EXPORT CONTROLS

During the war all exports were under control. These comprised approximately 3,200 commodities or commodity classes. Following the war the area of control was contracted so that as of October 1, 1946, the number of commodities or commodity classifications under export control stood at 727. Today, 397 are on the control list of the Department of Commerce—which exercises the licensing powers, curtailing or forbidding exports—divided into 19 major groups as follows:

- Meat and meat products.
- Animal and vegetable fats and oils.
- Dairy products.
- Fish and fish products.
- Grains and preparations, including barley, corn, rice, and flour.
- Fodders and feeds.
- Sugar.
- Crude rubber.
- Fibers.
- Building materials.
- Coal.
- Petroleum products.
- Steel-mill products, including tin plate, scrap, steel pipe, wire, nails, and other iron and steel manufactures.
- Copper, brass, lead, zinc, and tin and their manufactures.
- Electrical machinery and apparatus, such as batteries, small motors, and electrical conduits.
- Industrial chemicals and fertilizers.
- Medicinal and pharmaceutical preparations, including streptomycin, quinine, and insulin.
- Pigments for paints and varnishes, etc.
- Soap and toilet preparations.

The Department of Commerce deserves commendation for the numerical decontrol which it has effected, but it must be pointed out that the type of commodities controlled and their value reflect more accurately the extent of the power exercised than does the mere number of controlled commodities.

Mr. Francis McIntyre, Deputy Director for Export Control, Commodities Branch, Office of International Trade, Department of Commerce, states that in the calendar year 1946 the value of exports under control was approximately \$2,500,000,000, representing about 26 percent of the total of all exports in that year, of approximately \$9,800,000,000.

Mr. McIntyre also states that the annual value of exports currently controlled approximates \$3,750,000,000, or about 26 percent of the value of all exports, indicated at around \$14,500,000,000 for 1947, based on the first 4 months. The rate of exports for April is much higher than for the first 4 months.

The current volume of exports is indicative of world shortages and the demands being made upon the United States for foods, manufactured goods, and raw materials is the largest in our history. It is nearly three times the prewar record in 1929 of \$5,241,000,000 and compares with other prewar years as follows:

1934-----	\$2, 133, 000, 000	1938-----	\$3, 094, 440, 000
1935-----	2, 282, 000, 000	1939-----	3, 177, 176, 000
1936-----	2, 455, 978, 000	1940-----	4, 021, 146, 000
1937-----	3, 349, 167, 000		

1. Effect on domestic economy

It is evident that the power to contract or enlarge exports directly enlarges or diminishes the supply of goods and foods available for domestic use, affects domestic prices and the incentive to reduce or expand production.

The limitation of exports insulates our markets from the full impact of the world demand for our goods and holds domestic prices at levels lower than they otherwise would be. Conversely, the expansion of exports raises domestic prices. It must be recognized that export controls, while not specifically advocated for that purpose, are, in effect, price controls.

The situation affecting wheat affords a significant illustration. According to Dr. D. A. Fitzgerald, Director-General of the International Emergency Food Council, world wheat production for the 1947-48 crop year will approximate 5.7 billion bushels, or about 250 million bushels less than in prewar. With population increases demand will be above prewar.

Since rye and rice may be substituted for wheat, it is difficult to demonstrate the exact amount of wheat shortage, but the shortage of the three grains is placed by Dr. Fitzgerald at 1.9-2 billion bushels for the year 1947-48, with supply estimated at about 12.1 billion bushels and demand at 14 billion.

With this huge excess of demand over supply it is clear that in a free world market, wheat would sell substantially higher than current domestic prices of around \$2.15-\$2.25 a bushel. Argentine wheat, in fact, is selling in the world market for \$4.25-\$5 a bushel. Dr. Fitzgerald estimates that without export controls domestic wheat prices would rise "at least 25 percent."

On the surface it might appear that this country would benefit from the lifting of export controls through higher incomes for producers of goods affected by world prices. However, such a conclusion would overlook the fact that the United States, through loans and grants, is financing the ability of other countries to buy our supplies of wheat and other goods, and through direct appropriations, is paying the costs of occupation of those areas of Germany, Japan, Korea, and Austria where our troops are in control. Occupation costs approximate 1 billion dollars a year, while our total grants, loans, and commitments thus far approximate 18 billion dollars.

A free world market would mean higher domestic prices for wheat, steel, coal, and numerous other commodities now under export control. Moreover, to the extent that these goods were supplied to war-devastated countries, to whom grants and loans have been made, and to occupied territories, the cost of this price rise would fall, directly or indirectly, on American Taxpayers. No attempt is made to appraise the general economic effects of a further price rise upon living and business costs.

2. Relation to foreign policy

The United States is in a position of world leadership, and our foreign policy vitally concerns not only our own people, but all other peoples of the world. The success of our foreign policy rests on our ability to do the things that we say we are going to do at the times we say we will. To embark upon programs without the capacity to carry them out effectively, and on time, is to court disaster.

Export controls serve as an essential instrument for channeling exports of certain commodities, such as foods and coal, to particular countries in accordance with our foreign policy. This country is participating with other countries in determining allocations of essential supplies in world short supply to prevent their maldistribution. With respect to certain of these commodities, namely, fats and oils, rice and rice products, import controls operate to prevent an undue flow into the United States at the expense of other countries in greater need. With respect to certain others, such as fertilizer, of which the United States is the major supplier, in addition to import controls, export priorities aid in directing exports to specific destinations. A ton of fertilizer is reported to be as effective as 10 to 15 tons of food exported insofar as satisfying the food requirements of some countries is concerned. Priorities facilitate direction of individual exports to destinations desired to promote production abroad of essential goods imported into the United States.

B. POWERS, TITLE III, WAR POWERS ACT

1. Import controls, allocations, and priorities

Under title III of the War Powers Act, as proposed to be amended by Senate bill 1461, the President is authorized to control imports of tin and tin products, cordage fibers, antimony, fats and oils, rice and rice products, and nitrogenous fertilizer materials, which controls, though in lesser degree than the control of exports, influence in the same manner domestic prices and production.

2. Powers of domestic allocation of commodities in short supply

The President has power to select manufacturers or processors to whom the short supplies of tin and tin products, cordage fibers, and antimony, whether imported or of domestic production, shall be sold, fix the amount of such materials that each shall receive, and to designate the "end use" or products which shall be processed or manufactured from such materials. As an example, certain cordage fibers are purchased by the Reconstruction Finance Corporation and allocated by the Department of Commerce to manufacturers with the requirement that they be manufactured into three "end uses"—binder twine, bailer twine, and rope.

3. Priority powers

The President has the power to require priority of production, priority of transportation, and priority of export of—

(a) Nitrogenous fertilizer materials. This embraces the authority to require producers to set aside a certain part of production for export, to allocate exports to designated countries, and to assure prior shipment to such countries.

(b) Materials which he determines would expand or maintain the production in foreign countries of materials critically needed in the United States. As an example of the use of this authority, the shipment of steel pipe to Venezuela and Saudi Arabia has been required for the purpose of developing oil production in those countries, upon a determination that such oil production is of critical importance to this country.

(c) Materials (except foods, food products, and fertilizers) upon certification of the Secretary of State that the prompt export of such

materials "is of high public importance" and essential to the successful carrying out of the foreign policy of the United States. The powers discussed, in the subsections (b) and (c) above, extend to all materials which are necessary for the manufacture and delivery of the ultimate material to be exported. As an example of the application of this power, Hon. Dean Acheson, Under Secretary of State, testified that three bridges and a tunnel were needed to restore the Athens-Salonika Railway, and that the lack of a single item delaying the restoration of one of these would affect the program of rehabilitation, largely dependent on transportation, to which the United States is giving aid. The power could be used to secure priority of production and export of such needed materials.

The example given in (c) above illustrates one use of the granted powers to implement the foreign policy of the United States with respect to Greece. Generally, it can be said that through the use of export controls and the powers exercised under title III of the War Powers Act, supplies of food and essential materials can be made available to the Army for use in our occupation zones in Germany, Japan, Austria, and Korea, and to countries in great need; and can be directed to countries which are of interest to this country in relation to its foreign policy.

The purpose of the committee thus far in detailing the extent of the powers granted to the President is not primarily to justify the grant, but to emphasize their great impact upon supply, prices, and distribution in the domestic economy, their relation to the successful implementation of our foreign policy, and the necessity of coordinated and efficient administration.

III. SCOPE OF HEARINGS HELD BY SUBCOMMITTEE AND TESTIMONY

To determine the necessity for continuing controls, and to examine thoroughly their administration, the subcommittee of the Judiciary Committee of the Senate to which this task was assigned held extended hearings on both export controls and the powers exercised under title III of the Second War Powers Act.

A. EXPORT CONTROL HEARINGS

With respect to export controls, 7 hearings were held, 23 witnesses heard, and 642 pages of testimony taken. The following Government witnesses testified in support of extension of powers or in explanation of the program:

- C. Tyler Wood, Deputy to Assistant Secretary of State for Economic Affairs, State Department.
- Robert Johnson, Deputy Housing Expediter, Office of Housing Expediter.
- Lt. Col. R. F. Hartman, Export-Import Section, Civil Affairs Division, War Department.
- Maj. Gordon O. Fraser, Chief, Food Section, Civil Affairs Division, War Department.
- Maj. J. G. K. Miller, Economic Section, Civil Affairs Division, War Department.
- Capt. Granville Conway, coordinator, emergency export programs and president, Cosmopolitan Shipping Co.
- W. T. Hart, industrial specialist, Office of Materials Distribution, Department of Commerce.
- N. E. Dodd, Under Secretary of Agriculture, Department of Agriculture.
- Thomas C. Blaisdell, Jr., assistant to the Secretary of Commerce, Department of Commerce.

Francis E. McIntyre, Deputy Director, Commodities Branch, Office of International Trade.

Nathan Ostroff, counsel, Office of International Trade, Department of Commerce.
 Carl C. Farrington, Assistant Administrator, Production and Marketing Administration, and Vice President, Commodity Credit Corporation.

The committee also heard Mr. Carl H. Wilken, representing Mr. R. A. Trovatten, commissioner of agriculture, Minnesota, who testified in opposition to the program, and Mr. M. H. Varn, formerly with the Department of Commerce, who testified in explanation of the program.

Every effort was made to secure the testimony of interested industries, trade associations, exporters, and interested individuals, and in addition to the ordinary methods of notice, the following organizations were invited to appear:

American Farm Bureau Federation
 National Grange
 National Farmers Union
 American Livestock Association
 Farmers Corp., Greeley, Colo.
 Texas and Southwestern Cattlemen's Association
 American Mining Congress
 National Paint, Varnish, and Lacquer Association
 American Meat Institute
 Manufacturing Chemists' Association
 Millers' National Federation
 National Cooperative Milk Products Association
 National Coal Association
 National Lumber Manufacturers' Association
 Wisconsin Council of Agricultural Cooperatives
 Wisconsin Cheese Products Association
 National Association of Real Estate Boards
 West Coast Lumbermen's Association
 National Petroleum Association
 Independent Petroleum Association
 Mid Continent Oil and Gas Association.

In addition, notice was given companies or individuals engaged in producing or using individual products such as tin plate and leather.

Those who appeared, and their position with respect to extension, are as follows:

Name	Commodity	For or against extension
W. C. Schilthuis, vice president, North American Export Grain Association, Westport, Conn.	Grain.....	In favor, with modification.
W. B. Fox, C. B. Fox & Co., representing National Grain Trade Council, New Orleans, La.	.....do.....	Do.
F. F. Estes, executive secretary, Coal Exporters' Association of the United States, Washington, D. C.	Coal.....	Do.
J. R. Blunt, West Coast Lumbermen's Association.....	Lumber.....	Opposed.
Henry Bahr, secretary, National Lumber Manufacturers Association, Washington, D. C.	.....do.....	Do.
Joseph T. King, counsel, National Retail Lumber Dealers Association, Washington, D. C.	.....do.....	In favor.
W. D. Parlour, Southern Lumber Exporters Association, Inc., Washington, D. C.	.....do.....	Do.
Martin Smith, general manager, Flour Millers Export Association, Washington, D. C.	Flour.....	Do.
Russell B. Brown, general counsel Independent Petroleum Association of America, Washington, D. C.	Steel pipe.....	Opposed.
John A. Ferguson, executive director, Independent Natural Gas Association of America, Washington, D. C.	.....do.....	Do.

In addition to Government agency and individual witnesses, Senator Edward Martin, chairman of the Steel Subcommittee of the Senate Small Business Committee, testified and presented a statement on behalf of his committee concerning the impact of export controls on small business. Mr. R. R. Dickey, chief counsel of the committee, also testified. Further reference to Senator Martin's testimony and the report in full will be found in the discussion of steel which follows in the report.

The committee also received testimony from Dr. Dennis A. Fitzgerald, secretary-general of the International Emergency Food Council, and Mr. Morse Salisbury, deputy secretary-general of the Council.

It is the function of this Council to receive from all member governments in need of allocated foodstuffs, statements of their resources, requirements, and the urgency of their needs.

This information is analyzed by the staff of the IEFC, and tentative recommendations are made, allocating exportable surpluses to deficit countries. In the course of the hearings the representatives of the Council testified that 90 percent of its recommendations were adopted.

Besides the testimony presented at the hearings and statements placed in the record many letters and statements were submitted, all of which were given full consideration. A brief review of testimony heard concerning major or controversial commodities under export control follows:

1. Steel

Mr. Thomas C. Blaisdell, Jr., assistant to the Secretary of Commerce, testified that world demand for steel-mill products was greatly in excess of supply and controls were needed to protect American companies. No producers of steel testified and the only substantial testimony heard was submitted by Senator Edward Martin, who, as chairman of a subcommittee of the Small Business Committee, has been conducting an investigation of steel. His excellent and thorough report follows:

STATEMENT BY SENATOR EDWARD MARTIN, CHAIRMAN OF THE STEEL SUBCOMMITTEE OF THE SENATE SMALL BUSINESS COMMITTEE BEFORE THE SENATE JUDICIARY SUBCOMMITTEE CONSIDERING THE RENEWAL OF THE EXPORT CONTROL ACT, REGARDING THE EXTENSION OF EXPORT CONTROLS ON STEEL

Mr. Chairman, it is my understanding that the subcommittee of the Senate Judiciary Committee, of which you are chairman, has completed hearings upon H. R. 3049, a measure to continue in effect section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, relating to the exportation of certain commodities.

In this connection I would like to call your attention to the hearings which have been in progress by the Steel Subcommittee of the Senate Small Business Committee since May 15, 1947. These hearings have been concerned with an investigation of shortages in steel which are affecting the welfare and survival of smaller manufacturers and users of steel. In fact, as 95 percent of our domestic manufacture uses steel, the supply and distribution of steel is a basic consideration in our entire national economy.

In these investigations, we have made some study of the situation with respect to shipments of steel in export, and while our inquiry into this situation is not completed and further sessions with the Department of Commerce and with the State Department are on our schedule of hearings, I would like at this time to express some of the facts in relation to the renewal and administration of the Export Control Act (as it pertains to steel) for your consideration.

Steel, and practically all steel products, are in short supply; not in relation to the volume of tonnage being produced, but in relation to a heavy and rising demand. Steel mills are operating at approximately 95 percent of capacity, and are producing finished steel at the rate of 65,000,000 short tons for the year 1947. This is considerably higher than the 49,000,000 tons produced in 1946, and the 46,000,000 tons produced in 1940 (approximate figures).

However, reviving domestic manufacture, rising per capita use of steel, work stoppages affecting the production of steel, and mounting pressures for export of steel have combined to produce a short market in steel.

In spite of this increased demand, and rising per capita use of steel, the steel-producing industry does not intend to increase its capacity, and states further that existing facilities are sufficient for long-term demand. Thus, with a lid on production, and a currently rising demand from every area, the pressures have developed a number of inequities of distribution, under which numbers of smaller concerns are suffering and actually being forced to go out of business.

There apparently is also an increased effort on the part of steel producers to develop export markets, with emphasis on South America. Thus we find that pressures are very much in evidence to cause removal of steel from export control. In fact, so anticipatory that in last Saturday's Washington Post, I noticed an article that stated millions of tons of steel will be going to Saudi Arabia within the next month or two. No such tonnage could be supported giving due consideration to our domestic need, nor could such tonnage be possible under proper export control.

The attention of the Steel Subcommittee was originally called to the steel export situation by a number of complaints from small manufacturers and users who claimed that large shipments of sheet steel abroad were causing their difficulty, and other complaints from independent oil producers, from ranchmen and farmers, who protested that large shipments of steel pipe abroad were making it impossible to secure any pipe for oil and gas lines to supplement our domestic supply, and for wells and watering systems for farms and livestock.

The natural-gas and oil shortage has reached serious proportions, as recently stated in news releases, and the Interior Department confirms the possibility of fuel-oil and natural-gas shortages for this fall. While oil-barge and other transportation problems were mentioned as a cause, investigation by the Senate Small Business Committee indicates the pipe shortage is also a contributory factor.

In securing figures from the Bureau of the Census on steel exports for the year 1946 and the first 3 months of 1947, we find total exports on the rise in 1947 over 1946, at the rate of what will appear to be a million and a half more tons this year. This represents also about a million more tons of export than shipped in the prewar year of 1938 when there was no shortage of steel and exports were unrestricted. Exports of such critical items as sheet steel and steel pipe and tubing have doubled and trebled in 1946 and 1947 over shipments of those items in normal prewar years.

The Steel Subcommittee was especially interested in shipments of sheet steel and steel pipe, and the countries to which these shipments were being made. Census figures indicate that our prime country of export on most steel products, especially on the vital sheet steel, is Canada. Next in volume are such countries as Argentina, Brazil, Chile, Switzerland, and other nations certainly not involved in war-rehabilitation projects. Lesser shipments have gone to France and Italy, as we might expect, but not in the degree nor of the critical items as shipped to South America.

In the case of steel pipe, Brazil, Argentina, Venezuela, and Russia are chief recipients. In the case of Venezuela, investigation has shown that American oil firms are developing new oil resources in Venezuela, which accounts for the large pipe shipments to that country. In the case of Russia, however, it is difficult to figure out any reason for the shipment of 65,000 tons of steel pipe and tubing to that country in 1946, with continued shipments of pipe still going forward—not to mention other steel products, as well. It is not probable that the United States will secure any oil as a result of pipe shipments to Russia, nor for that matter any other trade or economic considerations.

A clipping from yesterday morning's Washington Post gives further information on the oil-shortage situation in this country, and includes a brief but pointed statement that Russia is sending its fleet over to get United States gas and oil.

To resume the steel-export story: In examining export-control administration in the Office of International Trade in the Department of Commerce and by the export policy control committee, it was discovered that a "simplified" method of issuing export licenses has resulted in a number of conditions: (1) No control

is maintained on the destination of exports permitted under the export license; (2) relatively little policing of the qualifications or statements submitted by the export licensee is done; (3) no knowledge is available of the end use of the steel products being shipped in export; (4) export quotas seem to be quite elastic and variable, as determined by Government-sponsored projects.

By this last point it is meant that the export policy control committee, an interagency group under the general direction of the Commerce Department, ostensibly sets steel export quotas in relation to the strain upon the domestic economy, then it may permit a 20 percent increase to be shipped "ex quota"; and then along may come a Government-sponsored project for which may be issued an export license in any amount over and above the original quota (which was supposed to have been set at a level not to disrupt the domestic economy).

The subcommittee is endeavoring to obtain a list of Government-sponsored projects from the Department of Commerce and the amount of steel exports involved in each. Such Government-sponsored projects, we understand, may be based upon both diplomatic and international trade considerations (and, of course, national defense), and are generally agreed to with the approval of the State Department. Our information is not complete on this subject, but it is of great importance in the steel-export picture as it is evidently a matter beyond the control of the nominal export-control officials.

Going further into the export picture, it was discovered that in the instance of Canada (our largest receiver of steel products in export), there are no export controls and shipments may be made to Canada in any amount at any time. This situation seemingly dates back to the "Hyde Park agreement" between Prime Minister Mackenzie King and the late President Roosevelt, made during the war, by which controls were eliminated on exports to Canada for a number of wartime considerations. The question which is naturally raised is whether or not the Hyde Park agreement has been reviewed in the light of present-day economics with respect to steel exports (and undoubtedly other products), to determine why export controls should not be put into effect between Canada and the United States. It is interesting to note that Canada has never removed her export controls upon her shipments to the United States.

The increase of steel shipments to Canada is marked—409,279 tons of steel products were shipped to Canada in 1938; 876,135 tons were shipped in 1946, and steel products are being shipped to Canada at the rate of over a million tons per year at the end of the first quarter of 1947. Of this total, sheet-steel shipments are unusually large, which means that steel products such as stoves, refrigerators, and hundreds of other finished products using steel are being manufactured in Canada, rather than the steel going to our own steel manufacturing industry for production of finished products needed here, and necessary to provide employment in the United States. Also, as no check is maintained on end use of steel export shipments it is possible that some steel shipped to Canada may find its way out of Canada to other countries in export.

While normal exports are to be desired, to maintain foreign markets and to promote worth-while and reciprocal projects, it is my opinion that the export situation is "out of control" and that a stronger hand with regard to exports of steel is of vital importance at this time.

To remove controls on steel would undoubtedly open the floodgates for the highly lucrative export market. Prices being secured for steel in export are twice and three times the mill price in the United States. At the same time an inadequate control, aggravated by the failure of the Department of Commerce to allocate existing manpower and funds, is also causing another set of problems in the Office of International Trade in the Department of Commerce. I believe that existing controls should be strengthened.

As chairman of the Steel Subcommittee, I would like to submit for the consideration of your subcommittee and the full Judiciary Committee of the Senate, the following conclusions with respect to continuation of export controls and the strengthening of existing controls:

1. Export controls on steel should be continued for at least another 12 months, and should be reviewed at that time to determine the pressure of domestic demand.
2. The Export Control Act should be amended to provide for certain administrative requirements:

(a) That designation of destination be required on the issuance of all export licenses, and, as far as possible end use of the steel must be indicated.

(b) That the procedures for issuing export licenses require detailed qualifications and identification of licensee, and that severe penalty be provided against forgeries, sales of licenses, and misrepresentation.

(c) That export licenses must be used within the quarter for which they are granted and for the purpose for which granted to the original licensee.

(d) That a review of the Hyde Park agreement with Canada be made at once by the responsible Government agencies, with a view to establishing export controls on steel exports to Canada.

(e) That there be set forth in the extension of the Export Control Act language directing the establishment of industry export advisory committees consisting of all segments of the industries coming under the export control; and that the export-policy-control committee be required to seek and give consideration to the recommendation of such committees, particularly with regard to the effect which export quotas and Government special projects might have on the domestic economy.

(f) That the export-policy-control committee be thoroughly investigated as to qualification of personnel and methods of operation, especially with respect to its policies for determining export quotas.

(g) And that when such quotas are determined due consideration will be given to see that small and newly established businesses in the export and import trade will be given a fair and equitable share of such quotas.

2. Coal

The testimony of Mr. Thomas C. Blaisdell was to the effect that normal coal production had not been reestablished in Europe, England, and Wales. Export licensing is handled in such a manner as to utilize our maximum coal-loading facilities along the Atlantic, Gulf, and Pacific coasts. Exports of metallurgical coke, which is very short, are negligible.

Mr. F. F. Estes, executive secretary of the Coal Exporters Association, initially opposing controls, testified that, the war being over and the coal mines equipped to produce sufficient tonnage to meet all domestic demands, including an estimated export tonnage of 40,000,000 tons in 1947, controls were no longer necessary. Total production is now running at an annual rate of about 550 to 600 million tons. He also testified that the export demand would be the capacity of the piers, that at present the piers could not handle all the coal offered. In a letter submitted after the testimony was recorded, Mr. Estes withdrew his request for immediate exemption of coal from export controls.

3. Lumber

Mr. J. R. Blunt, representing the West Coast Lumbermen's Association, opposing control, testified that Douglas fir, representing one-third of the total soft lumber and one-fourth of all lumber production supply, is now in excess of demand; that removal of controls would not curtail supplies needed for domestic market, since only a small proportion of Douglas fir is suitable for millwork and flooring, now short. He testified that in 1939 exports were 416,960,000 board feet or 6.42 percent of total Douglas fir production of 6,494,000,000 board feet; in 1946 exports were 322,000,000 board feet or about 5 percent of total production of 6-6.5 billion board feet.

Mr. W. D. Parlour, representing the Southern Lumber Exporters' Association, supporting control, testified that there was a world shortage of lumber, the United Kingdom alone having placed orders in this country thus far in 1947, for 360,000,000 board feet of Douglas fir, or 40,000,000 more than exported to all foreign countries in 1946. In that year, 1946, the United Kingdom received about 40,000,000 feet of Douglas fir. United Kingdom orders for southern pine, he said, are now running at an annual rate of 150,000,000 board feet, or more than was exported to all foreign countries in 1946. United Kingdom received no southern pine in 1946. Total exports of southern pine in

1946 were 146,000,000 board feet, or 1.54 percent of production of 9.5 billion board feet. Prewar exports ran around 4½-6 percent of production. He pointed out that, while Russia, Finland, and Sweden were heavy exporters of lumber in prewar years only limited supplies were now available from those countries to meet European needs.

Mr. Joseph T. King, counsel for the National Retail Lumber Dealers' Association, supporting controls, expressed fear that, with controls removed, lumber producers would concentrate on the lower grade for export, to the detriment of better grades needed in this country.

Mr. Francis E. McIntyre, Deputy Director, Commodities Branch, Office of International Trade, Department of Commerce, stated that representations had been made to the Office of the Housing Expediter for approval of somewhat larger export quotas of building materials. He said that further increases would be asked unless there is a reversal of the present decline in building activity.

Mr. Robert Johnson, Deputy Housing Expediter, testified in favor of continuing export controls on building materials in general but expressed agreement with the statement that there was a current oversupply of some types of lumber. Mr. Johnson said that while new residential building was still ahead of last year, the indicated volume for 1947 is so far below estimates generally expressed at the start of the year, of around 1,000,000 units, that, considering the expansion in lumber production, his Office would be glad to consider a recommendation from the Commerce Department for a further relaxation in export quotas on lumber. Some easing of these quotas has already been effected this year. Under the Veterans Housing Act of 1946, the housing expediter has power to control exports of building materials.

4. Grain

Mr. N. E. Dodd, Under Secretary of Agriculture, testified that world shortages of food are expected to continue in 1947-48. He pointed out that grains are basic, both for human and animal feeding. During the year ended June 30, 1947, he said the United States will have shipped over 500 million bushels to war-devastated countries including the occupation zones of Germany and Japan. The Department of Agriculture is guided both by War Department recommendations and the advice of the International Emergency Food Council.

Detailed discussion of the statistical position of grains and the extent of world needs in relation to supply as presented by Dr. Fitzgerald is given in section II-A-1 of this report.

No trade testimony opposing extension of export controls on grain was offered. However, Mr. W. C. Schilthuis, vice president, North American Grain Exporters Association, stated to represent the entire export grain trade of this country and Canada, claimed that the private grain trade could handle exports more efficiently and more economically than the Department of Agriculture. He cited figures purporting to show excessive prices paid by the Department and claimed the charges made for commissions and handling were too high.

Mr. Dodd contended that the handling of the major portion of the wheat exports by Commodity Credit Corporation results in a larger total volume of cereal exports and in the more effective direction of these exports to the areas where they are most needed, at the time they are needed.

The grain trade he said, and as Mr. Schilthuis pointed out, signs firm contracts to deliver grain at a specific time and place.

According to Mr. Dodd, the Commodity Credit Corporation, because it is supplying wheat to all claimants, can shift its supplies between claimants as physical and other factors require. If a foreign-flag ship fails to berth on schedule, Commodity Credit Corporation can load the wheat originally scheduled for such ship into another ship and replace the grain when the foreign-flag ship shows up. He said that the grain trade has no comparable flexibility.

Much as it would be desirable to announce allocations further in advance of loading months, which would make more feasible private grain-trade control of wheat exports, the urgency of the requirements has made this impossible in the past and unlikely at least for the near future, Mr. Dodd said. With the Commodity Credit Corporation handling all the wheat, immediate shifts in destinations can be made as crises abroad arise.

If all the wheat was sold by the grain trade direct to foreign buyers, there would be no flexibility for meeting emergencies, Mr. Dodd states. It was also pointed out that a considerable proportion of sales is made to agencies of other governments who prefer to deal with a single large seller rather than a large number of smaller ones. Finally, Mr. Dodd pointed out that the facilities of the private grain trade are being used exclusively in the physical handling and delivery to seaboard of wheat purchased by Commodity Credit Corporation, but that control of the export movement by private trade was not advisable at this time.

Captain Granville Conway, coordinator, emergency export program, in the Executive Office of the President, testified that, in his opinion, private grain exporters could handle grain as efficiently, or more so, than the Department of Agriculture.

5. *Meat.*

Mr. Thomas C. Blaisdell, Jr., assistant to the Secretary of Commerce, testified that because of the world shortage of high-protein foods, meat exports would increase substantially if controls were lifted. Domestic demand, he said, is at unprecedented levels, and supply, due to a decline in the number of meat animals on farms, is below normal.

Dr. Dennis A. FitzGerald, Secretary-General of the International Emergency Food Council, testified that, under current controls, meat exports in the first half of 1947 amounted to 500,000,000 pounds or about 1 week's supply. In answer to a question concerning the effect of meat exports on prices he replied, "If you export only 1 pound of meat you have to expect some impact on domestic prices, but the current exports which amount to only 4 or 5 percent of production are a very minor factor in current meat prices."

No testimony from the meat industry was presented at the hearings.

6. *Petroleum*

Mr. Blaisdell testified that the only petroleum products under export control were certain paraffin waxes essential in the production of waxed paper cartons. Since his testimony was given the Department of Commerce has announced reinstatement of export controls on petroleum.

No trade testimony concerning petroleum exports was offered.

After the hearings were closed, however, newspaper accounts of

shipment of oil to Russia provoked many inquiries from Members of Congress and the public. In response to inquiries by Senator Alexander Wiley, chairman of the Committee on the Judiciary, and Senator John S. Cooper, chairman of the subcommittee, the following letters were received:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington 25.

HON. ALEXANDER WILEY,
United States Senate, Washington 25, D. C.

MY DEAR SENATOR: Reference is made to your oral request of June 17, in which you stated that your constituent, Dr. George T. Hegner, had telegraphed you, "Why are we shipping oil to Russia?" You asked that the Department of Commerce furnish you information in order that you might answer the said telegram.

News items appeared on June 16, stating that a fleet of about 12 Soviet tankers had arrived in California for cargoes of petroleum products. This report is true. As of June 17, two of these tankers had loaded fuel oil, destined to Vladivostock. The remaining tankers were expected to load shortly thereafter for the same destination; type of product to be loaded had not been announced.

Total petroleum products to be loaded by the tankers in question should approximate 700,000 barrels. For the past 2 or 3 years, Russian tankers have made similar loadings seasonally in California, transporting their cargoes to Siberian ports during the ice-free summer months. Exports in 1945, from the United States to Russia, approximated 5,000,000 barrels; in 1946, 2,500,000 barrels. For the first quarter, these exports were only 72,000 barrels. Therefore, the present lifting of some 700,000 barrels is not abnormal.

The Soviets do not possess sufficient indigenous crude oil on their Pacific coast to satisfy their requirements there. It is more economical for the Russians to buy these supplementary products in California than it is for them to transport their own oil from the Black Sea or to obtain the oil from non-Russian sources in the Persian Gulf. When the petroleum industry is rehabilitated in the Netherland East Indies, it is probable that the Russians will lift their supplementary Pacific coast requirements there instead of California.

There are no export-control restrictions on fluid fuels. The Soviets purchased the products on a strictly commercial basis and are transporting the oil in their own tankers.

If additional information is required, please communicate further with us.

Sincerely yours,

THOMAS C. BLAISDELL, JR.,
Assistant to the Secretary for International Trade.

DEPARTMENT OF COMMERCE,
OFFICE OF INTERNATIONAL TRADE,
Washington 25, D. C., June 23, 1947.

HON. JOHN SHERMAN COOPER,
United States Senate, Washington, D. C.

DEAR SENATOR COOPER: When I met with you Saturday afternoon you requested some additional information with respect to export control. A considerable portion of this material was covered in our letter to you of June 20, which, of course, you had not had an opportunity to review at the time of our discussion (since I had delivered it to Mr. Patterson only a few minutes earlier).

New developments upon petroleum about which we have not written you are as follows:

At last Tuesday morning's meeting of Cabinet officers and industry spokesmen evidence was presented showing that this Nation faces a petroleum crisis in the coming fall and winter. Even if no coal strike occurs and if there are no shut-downs in oil refining, tank-car utilization, and tanker transportation, local shortages will occur. If any of these factors turn unfavorable, or if the winter is exceptionally cold, serious injury to this Nation's economy is anticipated by the specialists who spoke at that meeting both for industry and Government. Under these circumstances, the Department of the Interior has already requested immediate imposition of petroleum-export controls and at a hearing Saturday

morning Representative Shafer of the House Armed Services Committee called vigorously for such action. We are prepared, of course, to take all steps within our power to protect the domestic economy from injury, but we are today in the position of considering control of petroleum exports for the period of a single week. Such protection cannot be provided this Nation beyond next Monday unless the Congress acts to extend this authority.

A critical situation is also arising with respect to steel pipe. This product was in relatively free supply during 1946, and in fact controls were imposed late that year primarily because of the threatened large drain of petroleum pipe to Russia. As soon as the Russian orders were withdrawn, the Civilian Production Administration advised us that the supply situation would permit the complete decontrol of pipe. However, a survey indicated to us that welded pipe remained critical, while seamless pipe (because of its substantial higher cost) was not in severely short supply. Recent evidence indicates that shortage has become more critical, users are turning from welded to seamless pipe for export, and that recontrol of this whole category will be necessary in order to protect small business and the domestic petroleum industry; also, exports may then be directed to the particular programs abroad which best serve the interests of the United States. This direction has already been accomplished in part since much of this material moves abroad under special license for use in United States Government-sponsored projects. However, we plan to reestablish the individual license for all pipe, thus permitting complete control of end use as well as country of destination. (All of the material in this paragraph is confidential until the public announcement of recontrol of seamless pipe.)

With respect to enforcement, I believe the record of compliance will stand up favorably in comparison with similar records almost anywhere in Government or business. Of course, there are crooks and chislers in any field and high prices abroad are a temptation to some. However, the fact that these isolated cases attract so much attention is in itself testimony to the effectiveness of our confidence in the honesty of the American business community. Export control is one of the simplest and least burdensome restrictions we have, and it applies only to the last step of the export transaction so that domestic production and distribution of goods is not interfered with. I do not suggest that we are unconcerned about violations even though rare. We are considering a regulation which would require shipment only against orders received prior to the date of the license. There is nothing presently improper about an exporter soliciting a new foreign customer for a product when the order for which he secured the license has been canceled. However, the sale of a license by one exporter to another is presently subject to severe penalties. While we have run down countless stories to the effect that such sales are taking place, the evidence almost invariably evaporates into a cloud of complaint from a disgruntled exporter who believes someone else received a larger quota than he.

It would, of course, be entirely possible to require a separate export license application for every firm order the exporter received from abroad. This would involve the trade community and ourselves in thousands of additional man hours of paper work. We have been reluctant to impose this burden on the trade, and the problem of securing adequate manpower for our own staff is, of course, a major consideration.

I trust this information will answer the question you raised Saturday.

Sincerely yours,

FRANCIS MCINTYRE,
*Deputy Director for Export Control,
Commodities Branch.*

B. TITLE III, WAR POWERS ACT, HEARINGS

With respect to import controls and the power to allocate for domestic use, 5 hearings were held, 30 witnesses heard, and 579 pages of testimony taken. The following witnesses, representing the interested departments and agencies of government, testified in support of extension or in explanation of the program:

William C. Foster, Under Secretary, Department of Commerce.

Dean Acheson, Under Secretary, Department of State.

N. E. Dodd, Under Secretary, Department of Agriculture.

H. B. McCoy, Director, Office of Materials Distribution, Department of Commerce.

B. M. Fullerton, assistant to Mr. McCoy, Office of Materials Distribution, Department of Commerce.
 Frank E. Bennett, Chief, Chemical Division, Office of Materials Distribution, Department of Commerce.
 F. H. Hayes, Chief, Metals Division, Office of Materials Distribution, Department of Commerce.
 Franklin F. Kidd, Chief, Cordage Division, Office of Materials Distribution, Department of Commerce.
 Erwin Vogelsang, Chief, Tin, Lead, and Zinc Section, Office of Materials Distribution, Department of Commerce.
 Louis Loeb, Antimony Unit, Office of Materials Distribution, Department of Commerce.
 W. T. Hart, Nitrogen Unit, Office of Materials Distribution, Department of Commerce.
 I. C. White, commodity specialist, Office of Materials Distribution, Department of Commerce.
 Charles Grim, commodity specialist, Office of Materials Distribution, Department of Commerce.
 J. W. Ould, legal counsel, Office of Materials Distribution, Department of Commerce.
 W. L. Raup, Administrator of Order M-43, Office of Materials Distribution, Department of Commerce.
 John C. Erickson, assistant chief counsel, Office of Defense Supplies, Reconstruction Finance Corporation.
 Dr. S. R. Coatney, United States Public Health Service.
 Dr. M. D. Hollis, United States Public Health Service.
 C. W. Herman, Director, Fats and Oils Branch, Production and Marketing Administration, Department of Agriculture.

Those representing private trade who testified, and their position with respect to extension, are as follows:

Name	Commodity	For or against extension
J. S. McDaniel, secretary, Cordage Institute	Hard fibers	Opposed.
John B. Gordon, manager of Raw Materials, Vegetable Oils, and Fats Industries.	Fats and oils	Do.
R. Bockstedt, representing Columbian Rope Co.	Hard fibers	Do.
Arthur Beerman, president, Charles Suher Packing Co.	Fats and oils	Do.
James H. Grove, president Grove Laboratories, Inc.	Quinine	Do.
Ira Vandewater, vice president R. W. Greef & Co., New York City.	do	Do.
Henry H. Buckman, consulting engineer, Vulcan Definning Co., Swaren, N. Y.	Tin	In favor, with modification.
Orville Schell, representing Merek & Co., Rahway, N. J.	Quinine	In favor.
Giles S. Clair, representing S. B. Penick & Co., New York, N. Y.	do	Do.
James Flanagan, secretary and general counsel, S. B. Penick & Co., New York.	do	Do.
R. H. Loudon, representing McGean Chemical Co., Cleveland, Ohio.	Tin	In favor, with modification.

Extensive testimony in favor of extension of the program was presented by Dr. Dennis A. FitzGerald, Secretary General of the International Emergency Food Council and by his deputy, Mr. Morse Salisbury.

A condensation of the testimony heard with respect to the commodities over which controls are continued follows. It is to be noted that the continuance of control of streptomycin was not recommended by the Department of Commerce, and that controls over cinchona bark, quinine, and quinidine requested by the Department of Commerce are eliminated.

1. *Rice*

Controls are requested for the purpose of regulating imports.

Mr. N. E. Dodd, Under Secretary, Department of Agriculture, testified that domestic supply of rice presently is estimated at 1.9 to 2 billion pounds and domestic consumption at 1.3 to 1.4 billion pounds. In the prewar period of 1935-39 domestic supply averaged 1,475,000,000 pounds annually and consumption 850,000,000 pounds. Current world exportable surplus is estimated at 2.1 billion pounds, or only about 25 percent of the 8 billion pounds available for world export before the war, and about 50 percent of rice requirements submitted to the International Emergency Food Council. On the basis of these figures, it is believed by the Department of Agriculture that this country is not in need of rice imports, and that the anticipated 325,000,000 pounds available for export above domestic requirements is badly needed for world supply.

Dr. Fitzgerald, Director-General, International Emergency Food Council, testified that if import controls were not exercised, it is anticipated that, instead of exporting rice, the United States would import rice which is normally purchased by the Netherlands East Indies, the Philippines, India, and China, which areas in turn normally depend on imports from Siam, Burma, and French Indochina. In such event, it would be necessary to reexport rice to the Netherlands East Indies, the Philippines, India, and China, if they are to be fed.

In a statement opposing controls presented by W. M. Reid of the Rice Miller's Association, it was claimed that world rice production in 1947-48 is expected to equal that of prewar years. Department of Agriculture representatives comment that, because of population increases since before the war, a world shortage is demonstrated, particularly since production of other foods, such as sago, used as substitutes by countries normally consuming rice, are also at a reduced level.

2. *Nitrogenous fertilizer materials*

Controls are requested for the purpose of regulating imports and establishing priorities for production and export.

Mr. W. T. Hart, of the Nitrogen Unit, Office of Materials Distribution, Department of Commerce, testified that total United States supply of nitrogenous materials used for the manufacture of fertilizers is 886,000 tons annually, of which 200,000 tons are imported in about equal amounts from Chile and Canada. Estimated world demand for nitrogenous fertilizers is placed at 3,700,000 tons and world supply at 2,800,000 tons. There are 100 importing countries against a half-dozen exporters.

Mr. Hart stated that the present shortage of fertilizer for domestic purposes does not arise from low production, but from increased demand. Annual consumption of all types of fertilizer today is estimated at 14,000,000 tons, as compared with 7,000,000 tons before the war, and it is believed that because of high farm prices and improvements in farming methods, consumption would increase if the removal of import controls should, as seems probable, increase imports of nitrogenous materials.

If import controls were removed, it was stated that, because of the demand for dollar exchange, Chile would send us three times as much

nitrogen as at present, or around 600,000 tons, and Canada would ship us 95 percent of her output. Supplies available for export by those countries to Europe would be greatly reduced, thus increasing the call for American foodstuffs. Shipment of each ton of fertilizer to nations in need of rehabilitation and relief is estimated to save the necessity of shipping 10 to 15 tons of foods.

Senator James Eastland, of Mississippi, appeared before the subcommittee conducting hearings and, in his examination of Mr. W. T. Hart, elicited information that, after the power to allocate nitrogenous fertilizer materials had been discontinued, the Department of Commerce had requested certain producers to ship fertilizer to Puerto Rico in violation of the act of Congress. Mr. Hart contended that his action was based upon a prior commitment to Puerto Rico and was in good faith to satisfy the commitment. Whatever the reason, it is apparent that the action was not in accord with the act of Congress.

No industry testimony or statements on nitrogen controls were presented. However, in answer to newspaper reports concerning the destruction of fertilizer plants in Germany, Mr. C. Tyler Wood, deputy to the Assistant Secretary for Economic Affairs, Department of State, submitted the following statement:

DEPARTMENT OF STATE,
Washington, June 20, 1947.

The Honorable JOHN S. COOPER,
United States Senate.

DEAR SENATOR COOPER: In response to the question you recently put to me concerning the destruction of fertilizer plants in Germany, I have assembled the following information.

The reports in the newspapers on this subject were based on an interview with former President Hoover. Mr. Hoover has written to the Secretary of War, Mr. Patterson, that he was quoted incorrectly in this interview. He said that he had "complained of the Russian action with regard to fertilizers and other products in Germany, Austria, and Korea" but added that "every effort was being made within the imposed levels of industry to restore production of fertilizers" in the American and British zones.

The reasons for the imports of fertilizer by Germany and Austria today are complex, and differ with the countries concerned.

Before the war, Austria had to import practically all of its fertilizer and fertilizer materials since it has no phosphate or potash deposits and no chemical nitrogen plant. After 1938 a plant for production of nitrates was built by the Germans at Linz, in what is now the American zone of occupation in Austria. With minor changes in the equipment this plant could be made to produce more nitrogenous fertilizer than Austria required and the necessary changes were made early in the period of occupation. For some time, however, the coal shortage prevented operation of the plant and even when by great effort some suitable coal was obtained for the purpose, the quantity was insufficient to enable full operation.

At the present time this Department and the War Department are collaborating in an attempt to procure more coal for the Linz plant.

Germany is fortunate in having one of the largest potash deposits in the world. Although there are difficulties in getting manpower for the mines, both the British zone and the Soviet zone, which have most of the deposits, are producing more than enough for the needs of the country and have been exporting potash for about a year.

Germany has no phosphate deposits and has always had to import the rock or superphosphates. Its processing capacity for phosphate rock was limited because it placed some reliance on the cheaper basic slag obtained as a byproduct of pig-iron manufacture in the mills using the high-phosphate iron ores obtained chiefly from French Lorraine. But even at the peak period of pig-iron production the domestic supply of slag met only part of the phosphate fertilizer need and slag was imported from France, Belgium, and Luxemburg. At the present time, with the shortage of Ruhr coking coal keeping pig-iron production in these countries far below capacity, they have little if any basic slag for export.

The most serious problem of all, however, is nitrogen. During the war of 1914-18, for military reasons Germany, which had perfected the high-pressure method of "fixing" atmospheric nitrogen, built up the first great capacity for such production. By various methods, but above all threats of price-cutting wars, it was able to impede any large development of capacity in countries other than the United States. And even the United States was unable to build up any considerable foreign market that would have provided it with a large capacity in excess of its own needs. Thus at present, in attempting to increase foodstuffs production in areas where it has responsibilities, the United States is forced to convert some of its wartime nitrate plants to production of nitrogenous fertilizer.

The part disappearance of Germany as a producer is largely a result of necessary military operations that preceded the occupation. All but a small part of Germany's 1,700,000-ton nitrogen potential was in high-pressure plants that could be used, with certain additions to the equipment, for manufacture of synthetic gasoline. The two chief plants, which together had two-thirds of the total nitrogen capacity of the country, and certain of the smaller ones had the necessary equipment for this purpose before the war began. The smaller high-pressure plants were in the Ruhr and the largest of all was near Leipzig. More than half the potential capacity was in the single Leipzig plant. As you know, intensive bombing of the high pressure synthetic liquid-fuel plants was a decisive factor in the collapse of the German military effort. The American zone in Germany has only one chemical nitrogen plant, of the calcium cyanamide type; its operation requires considerable quantities of coke as well as hydroelectric power. The severe shortage of water in the mountains in 1945-46 prevented full utilization of this plant after coke was made available. Full operation of the second largest nitrogen fixation plant, which is in the French zone, has been prevented by the lack of coking coal from the Ruhr. While some of the less badly damaged small nitrogen plants of the Ruhr have been patched up and put into operation, and the remaining capacity of the Leipzig plant is being used within the limits set by lack of suitable grades of coal, the total output of Germany today is well below the domestic fertilizer consumption level achieved in the year 1939. This consumption level, which is nearly double that of 1933, has been accepted as the desirable goal for the present period in the attempt to increase the indigenous supply of foodstuffs.

According to General Clay, not a single German plant that can produce fertilizer has been dismantled or marked for removal in the western zones. So far as is known such part of the capacity of the Leipzig plant as survived bombing had not been materially reduced by dismantling, even though all high-pressure plants were at one time placed in the mandatory removal class under the level-of-industry plan.

I hope that this explanation clarifies the situation that caused your concern. We shall be happy to answer to the best of our ability any other questions on the subject that occur to you.

Sincerely yours,

C. TYLER WOOD,
Deputy to the Assistant Secretary for Economic Affairs.

3. *Fats and oils*

Under Secretary N. E. Dodd of the Department of Agriculture estimated that 1947 United States production of fats and oils would be 9.3 billion pounds or 4,220,000 metric tons, equal to about 95 percent of per capita consumption needs, on a prewar basis. We are normally importers of industrial oils, he said, most important of which are palm oil, coconut oil and linseed oil, and expect to import about 375,000 tons of these oils this year. Edible types of fats and oils like soybean, cottonseed, and peanut oil and lard are domestically produced, he stated. In recent years, United States exports have been largely of these latter categories and for this year are now scheduled at about 325,000 tons.

Mr. Dodd said that export controls prevent unduly heavy outward shipments of certain domestic vegetable oils and of oil-bearing seeds, such as soybeans, peanuts, and flaxseed. Without any export controls, exports to countries with dollar buying power would be so heavy as to mean not only a shortage of crushing materials from which oils

are obtained, but also of many items such as shortening, margarine, soap, paints, and related products. Without export controls, the estimated United States exports in 1947 of around 325,000 metric tons (in terms of oil) would increase to around 450,000 tons and would go largely to countries with dollar buying power and not necessarily to countries where they were most needed, unless the United States stepped in and appropriated dollars to buy and ship to needy countries.

Import controls, according to Mr. Dodd, operate to prevent domestic buyers from draining off world exportable surpluses, to the detriment, particularly, of war-devastated countries. Current world production is placed at about 80-85 percent of prewar, and exportable surpluses, because of increased populations, at 60-65 percent of prewar. Available supplies in war-devastated countries range from 50 percent down to as low as 20 percent of prewar.

Mr. John B. Gordon, manager, bureau of raw materials, vegetable oils and fats industries, a representative of certain branches of the vegetable oils and fats industries, opposed continuation of controls on various grounds. He stated that a continuation of controls will prevent maximum production in British, French, and Belgium colonial areas because prices paid are inadequate. Dr. FitzGerald stated that removal of United States import controls would not require the United Kingdom, France, or Belgium to remove their controls including price control; that these countries had recently raised prices in their colonial territories in part because of representations of IEFC; and finally that trade goods were more important than cash in stimulating production.

The fact that there are about the same number of cattle in the world as in prewar was advanced by Mr. Gordon as evidence that there is no serious shortage of animal fats. To this Dr. FitzGerald replied that the amount of fat production per animal in Europe, where the critical food shortage areas exist, is sharply lower than in prewar because of the lack and poor quality of animal feeds.

Mr. GORDON, in opposing import controls, alleged that the United States would not drain off world supplies of fats and oils, in a free market, because our price level is lower than in the rest of the world. Dr. FitzGerald stated that there are some fats and oils which are cheaper in the domestic market than in the world market. But price relationships are changing constantly and there is no way of predicting the changes that will occur in the next 6 to 12 months.

At a higher level of domestic prices for these fats and oils, increased competition for imports of such products into this country would develop, thereby reducing the supplies which the deficit countries could obtain from these sources. This in turn would mean an increased call on the United States for fats and oils for the deficit areas.

Without any controls of either exports or imports, Dr. FitzGerald said fats and oils would flow into and out of the United States market solely based on price considerations and without any regard to the urgency of need.

The net result would be that the countries including our own, with the highest buying power, based on desirable foreign exchange, would obtain or retain the largest share of world supplies and the countries in serious need, such as Italy, Austria, Greece, and France, with little buying power (or foreign exchange) would be unable to obtain supplies

or would lose supplies they already have, unless the United States were prepared to supply the oils these countries need by procuring them with appropriated dollars.

Dr. FitzGerald further testified that while it is true that the fats and oils that we import are used in this country for industrial or manufacturing purposes, these are used in Europe in considerable part for food purposes, such as coconut oil, palm oil, rapeseed oil, and whale oil. Moreover, one of the most critical shortages in many countries is that of soap.

Mr. Gordon pointed out that in prewar years, a number of Mediterranean countries were accustomed to sell domestically produced fats and oils, such as olive oil, and replace with cheaper oils bought in world markets. But under existing conditions, Dr. FitzGerald said, there is no assurance that foreign-produced oil in world markets would be used to buy cheaper oils as a replacement rather than other types of consumer goods, such as automobiles, steel products, or building materials, which are also very short and on which profits through importing would be greater than on cheaper oils.

The committee received both oral and written representations from producers of lard and tallow reporting growing stocks of these commodities along with declining domestic prices and asking that export controls be removed in order to facilitate the movement of these greatly needed materials to deficit countries. Dr. FitzGerald stated that, at present prices, increased exports of lard and tallow which were most urgently needed in deficit areas would appear warranted and were indeed being considered. He pointed out, however, that the unlimited exports which would result from the complete removal of export controls might seriously deplete the supplies available for domestic consumption.

H. W. Prentis, Jr., the president of the Armstrong Cork Co., communicated with the committee recommending that import control on flaxseed and linseed oil be terminated. He advanced the view that these controls, in combination with the United States support price on flaxseed, help the Argentine Government in exacting high prices for linseed oil. He implied that, in the absence of United States import controls, the Argentine price for linseed oil for export would fall to near the 14 cents per pound equivalent now paid Argentine farmers by their Government. O. W. Hermann, Director of the Fats and Oils Branch in the Production and Marketing Administration, United States Department of Agriculture, entered testimony that the price exactions of the Argentine Government were a settled policy and would continue so long as the world shortage of oils made it possible to hold at a high level. He stated that world prices were being held by the Argentine at 31½ cents per pound and even higher; that anyone who knew the situation could not say linseed oil could be purchased at anywhere near the 14-cent figure. It seems in general that discontinuance of import controls on this commodity would not serve to break the monopoly prices of the Argentine; to the contrary, might give support to even higher prices on Argentine oils.

The net balance of the testimony indicates, as stated by Mr. Dodd, that supplies are not adequate to meet urgent demands and they are not expected to be for some time to come. Without authority to control imports and exports, the United States would not be in a position to participate effectively in cooperative international distribution plans, including the recently enacted foreign-relief legislation.

Such a situation would hamper, if not cripple, efforts we are making to establish world stability.

It is the opinion of the committee that the chief purpose of import controls of oils and fats is to give strength to the commitments made in the IEFC and to assure deficit countries who are members of the IEFC that this country will not use its favorable financial position to capture free supplies of oils and fats which deficit countries sorely need.

4. *Tin*

The chief uses of tin are in the manufacture of tin plate; one-third of supply is used for tin cans, chiefly for food packing. Terneplate is also used for sheathing in housing construction. Other vital uses are for bearings, for railroad cars, and solders required for a wide variety of purposes in metal working. Among industries affected are railroads, food processing, farm machinery. All types of use are under restriction as to end use through allocation to processors and manufacturers. Its use for certain purposes, such as tinfoil for advertising or decorative purposes, jewelry, and toys, is prohibited.

Mr. Vogelsang testified that estimated world production for 1947 is 117,000 tons of primary tin compared to our average prewar production of 200,000 tons. Estimated United States demand in 1947, without controls, is 121,000 tons. Estimated United States consumption for 1947, under controls, is 89,700 tons, obtained as follows: 20,000 tons of primary tin imported, 38,000 tons smelted in the United States from imported ores, 19,700 tons reprocessed or reclaimed, 12,000 tons domestic stock pile.

The chief producing areas normally are Bolivia and the Far East, but today Bolivia is the only important source of supply. International allocations of primary pig tin are made by the Combined Tin Committee, our intergovernmental body of which the United States is a member. All tin metal and concentrates imported have been purchased by the Reconstruction Finance Corporation. Tin is allocated to manufactures and processes for specific end uses.

In the evidence heard and statements submitted, no representation was made by industry that tin controls should be abandoned. Mr. Loudon, a manufacturer of wall tile, protested the policy in regard to allocation of tin oxide as an opacifier for wall tile, stating that the small quantity allocated for this purpose was contributing to housing and building shortages, in its restriction upon production of tile for housing. He stated that substitutes were costly and unsatisfactory, and protested against increased allocations of tin beer cans. The position of the Department of Commerce is that, while tin oxide is allowed for production of colors in tile, its use as an opacifier is not allowed on the ground that substitutes, while not fully satisfactory, can be used.

Witnesses stated that decision to use tin plate for beer cans was made by the Office of Civilian Price Administration, now discontinued.

Recommendation was made by Mr. Buckman on behalf of Vulcan Detinning Co. that tin ores and concentrates be excepted from tin controls so that the tin-smelting capacity developed for treatment of low-grade Bolivian ores could be used. Department of Commerce representatives entered no objection to this exception and provision is made for the exception in section 3 (b) (1) of Senate bill 1461.

5. Antimony

Antimony, imported from China, is purchased by the Reconstruction Finance Corporation and allocated to domestic manufacturers and processors for specific end uses. Other imports and domestic production are purchased by private business but end uses are controlled.

Mr. Louis Loeb, head of the Antimony Unit, Office Materials Division, Department of Commerce, stated that total domestic demand, without controls, is 45,000-48,000 tons, and that domestic supply is 35,000 tons, made up of 6,000 tons of domestic production, 20,000 tons reclaimed, and 9,000 tons of imports. He pointed out that China, Bolivia, and Mexico are normally the chief sources of supply and that Chinese supply is greatly restricted due to war dislocations.

He stated that antimony is used as an alloy, for hardening lead, for storage-battery plates, bearings, and printing-type metal. It is also used chemically in paints, for ceramics, and flame proofing.

He testified that controls should be maintained for the purpose of allocation, that importance of antimony arises from its use in products needed for reconversion, and that its maldistribution would create bottlenecks. An example is its use in storage-battery plates, needed in all methods of transportation.

No witnesses appeared in opposition to extension.

6. Cordage

Mr. Franklin F. Kidd, Chief, Cordage Division, Office of Materials Distribution, Department of Commerce, testified that there was a shortage of abaca and agave fibers from which cordage is made and for which this country is totally dependent on imports. According to Mr. Kidd supplies in sight for the 1947-48 year range from an estimated minimum of 295,000,000 pounds to a maximum of 410,000,000 pounds. Demand, without controls, according to his estimate, will approximate 600,000,000 pounds indicating a deficit of between 190,000,000 and 305,000,000 pounds.

Mr. J. S. McDaniel, secretary, Cordage Institute, New York City, testified that Government estimates of supply were understated and of demand overstated. He estimated supply for the 1947-48 year at 480,000,000 pounds and demand at 349,000,000, an indicated surplus of 131,000,000 pounds, warranting exclusion of cordage controls.

The difference between Government and industry estimates of supply and demand is shown in the table below:

Hard fibers
SUPPLY

	Government estimate, 1947-48	Industry estimate
Abaca:		
150,000,000 to 200,000,000 pounds, consisting of:		
Philippine	<i>Pounds</i> 144, 000, 000	<i>Pounds</i> 200, 000, 000
Central America	40, 000, 000	35, 000, 000
Other	16, 000, 000	
	200, 000, 000	235, 000, 000

See footnotes at end of table, p. 00.

Hard fibers—Continued

SUPPLY—Continued

	Government estimate, 1947-48	Industry estimate
Agave:		
145,030,000 to 210,000,000 pounds, consisting of:	<i>Pounds</i>	<i>Pounds</i>
Mexico.....	124,000,000	154,000,000
Africa.....	44,000,000	40,000,000
Haitian.....	30,000,000	46,000,000
Other.....	12,000,000	5,000,000
	210,000,000	245,000,000
Total.....	(1)	480,000,000

DEMAND

600,000,000 pounds, consisting of:		
Baler twine.....	140,000,000	114,800,000
Binder twine.....	110,000,000	94,000,000
Rope.....	125,000,000	95,700,000
Inventory.....	50,000,000	
Wrapping twine.....	65,000,000	30,000,000
Upholstery.....	40,000,000	
Reinforced paper.....	25,000,000	12,500,000
Plastics.....	10,000,000	1,000,000
Miscellaneous.....	10,000,000	1,000,000
Inventories.....	25,000,000	
Total.....	600,000,000	349,000,000

¹ Total Government estimate 295,000,000 to 410,000,000 pounds.

Government indicated deficit, 190,000,000 to 305,000,000 pounds.

Industry indicated surplus, 131,000,000 pounds.

Mr. Kidd testified that one of the most vital uses of these imported fibers was in the manufacture of binder and baler twine for agricultural use. He stated that while wire was commonly used for these purposes before the war, a new machine had been developed and sold to farmers principally by International Harvester Co. and New Holland Machine Co., New Holland, Pa., which made use of baler twine. These machines are not equipped to use wire. The International Harvester Co. furnished the committee with an estimate of 143,000,000 pounds of baler twine required to service the machines sold by both companies for the period November 1, 1947, to November 1, 1948. This was based on an estimate of 59,563 one-man twine-baling machines in use by November 1, 1948, against 35,000 now in use.

Mr. McDaniel stated that the estimate of the number of balers in use by November 1, 1948, was not a proper indication of the demand for baler twine throughout the crop year, beginning November 1, 1947.

Mr. Kidd pointed out, in reference to Mr. McDaniel's estimates of receipts, that the 10-year prewar average imports of hard fibers were 348,000,000 pounds, including large receipts from the Netherlands East Indies and British Africa, now not a source of United States supplies.

The Department of Agriculture submitted a statement advocating continuance of controls on hard fibers as a protection for farmers whose twine consumption in the fiscal year 1948 was estimated at 150,000,000 pounds for hay-baling machines and 250,000,000 pounds of baler and binder twine combined.

7. *Quinine and quinidine*

During the course of the hearings, the testimony of the Government initially presented with reference to quinine and quinidine, was substantially changed in the light of further investigation and inquiry into this subject.

Mr. Carl C. Farrington, Assistant Administrator, Production and Marketing Administration, and Vice President, Commodity Credit Corporation, Washington, D. C., initially testified with reference to quinine that the anticipated demand for quinine for antimalarial purposes would be approximately 2,500,000 ounces. This estimate was subsequently reduced by Mr. Farrington to 1,200,000 ounces. Mr. Farrington's initial estimate of demand of 3,000,000 ounces for blended and industrial uses of quinine (currently not permitted under existing controls) was not changed. The Government's final estimate, therefore, of the anticipated demand for quinine for 1947-48 is 4,200,000 ounces.

Mr. Farrington's initial estimate of the available supply of quinine for 1947-48 was 2,100,000 ounces, which would be available from the East Indies. During the course of the hearing, however, it was developed that there will be available an additional 1,000,000 ounces of quinine which may be reconditioned from current Army stocks, and that in addition thereto, approximately 250,000 ounces will be available from estimated Government reserves as of July 1, 1947. These two items added to the original estimate of 2,100,000 ounces would give an available supply of quinine for 1947-48 of 3,350,000 ounces. Mr. Farrington testified that, should the Government continue its public-purchase program of South American bark which is currently being processed by American processing plants, an additional 800,000 ounces of quinine could be produced. It was stated by Mr. Farrington, however, that, should controls on quinine be eliminated, it is highly improbable that this public-purchase program and the domestic processing of the South American bark could continue.

Mr. James H. Groves, president of the Groves Laboratories, Inc., estimated that the maximum demand of quinine for antimalarial purposes for 1947-48 would be 900,000 ounces and that the maximum demand for quinine for blended uses and industrial purposes (currently prohibited under the control order) would be approximately 600,000 ounces, making a total demand for 1947-48 of 1,500,000 ounces. With reference to supply, Mr. Groves estimated a total available supply for 1947-48 of 4,650,000 ounces which would include an estimate of 800,000 ounces from the public purchase program and domestic processing of the South American bark.

It will be noted that, on the basis of the last estimate submitted from Mr. Farrington, the anticipated supply is only approximately 850,000 ounces less than the anticipated demand for the years 1947-48. On the basis of the figures submitted by Mr. Groves, disregarding the possible 800,000 ounces from the South American public purchase program, the supply of quinine for 1947 would exceed the demand by 2,300,000 ounces.

With reference to quinidine, Mr. Farrington testified that the total demand for 1947-48 for cardiac uses would be approximately 200,000 ounces and that the demand for quinidine for noncardiac uses (not currently permitted under the control order) would be approximately 300,000 ounces, making a total demand for quinidine of approximately

500,000 ounces. Mr. Farrington estimated that the supply of quinidine for 1947-48 would be approximately 200,000 ounces. Mr. Groves testified with reference to quinidine that the 1947-48 demand for cardiac uses would be approximately 200,000 ounces, but that the demand for quinidine for noncardiac uses during this period would be almost negligible. He further testified that the supply of quinidine for 1947-48 would be greatly in excess of any anticipated demand even including a demand, in addition to the 200,000 ounces for cardiac uses, of an additional 300,000 ounces for non cardiac uses. Near the close of the hearings, Mr. Farrington expressed the following proposal of the Department of Commerce, should controls on quinine and quinidine be retained. That the Department:

1. Amend its order so that end use and distribution restrictions apply only to those stocks now or hereafter held by the Government.
 2. Withdraw its recommendation to the Reconstruction Finance Corporation to purchase 2,100,000 ounces from the Netherlands East Indies.
 3. Remove all restrictions on the use and distribution of all quinine imported by private purchasers.
- The committee decided to remove all controls.

IV. CONCLUSIONS AND RECOMMENDATIONS

A. The first inquiry and decision made by the committee was one of policy, namely, whether or not the President's powers should be continued. Section 2 of the first Decontrol Act of March 31, 1947, states:

The Congress hereby declares that it is vital to a free economy and full production in the United States that all emergency controls and war powers under the Second War Powers Act be removed except in certain limited instances.

The committee adheres to the policy stated, but cannot escape the conclusion that in the light of present world circumstances, the continuance of limited controls is necessary to assist in achieving essential objectives of the country. They are (1) the protection of our domestic economy, and (2) the implementation of our foreign policy. These objectives have been emphasized throughout this report, and particularly in section II, A, 1 and 2.

B. The second inquiry of the committee was directed to an examination of the administration of the powers. The committee believes that the Department of Commerce, to which the powers of the President were delegated; the Department of Agriculture and the Department of State who exercise specific functions have in great part administered their functions with fairness, and with as little interference with private business as is reasonably possible under a system of control.

The committee, however, found a fundamental defect in the administration of the large powers granted to the President, arising from their division among departments of equal rank, none of which appear to have final responsibility and final power of decision.

The President has delegated his powers to the Secretary of Commerce. In practice, the committee found that the Secretary of Commerce exercises the power with respect to industrial materials, the Secretary of Agriculture with respect to foods, and the Secretary

of State where foreign policy is concerned. Some adjustment of their policies and interests has been obtained through an inter-departmental committee, advising the Secretary of Commerce, but the evidence demonstrated that each generally maintains autonomy in his own field. Today, the interests of the several departments may conflict.

1. Grain offers an example of possible conflict. The Secretary of Agriculture is the representative of the United States on the IEFC, which recommends allocations of United States grains to countries upon the basis of world supply and demand. The testimony developed that the Department of Agriculture determines allocation of export grain to other countries, and that his determinations are substantially in accord with IEFC recommendations, which may not always be in accord with other aspects of our domestic and foreign policy.

Today, the War Department is a claimant against export grain for use in occupied zones and the State Department is a claimant for use in relief programs approved by Congress. There is no agency, under the President, who can effectively make a final decision as between these claims in case of conflict, or a determination of their merit against the needs of our domestic economy.

2. Testimony heard with respect to the export of steel pipe indicated a conflict between the expansion of domestic oil and gas production and distribution, and the policy of promoting the development of foreign oil resources, deemed essential to our world policy.

Opposition was made to the power granted in section 3 (b) (4) of the proposed bill upon certification of the Secretary of State to direct materials to foreign countries to expand or maintain production of critical materials needed in the United States by Mr. Russell B. Brown, general counsel, Independent Petroleum Association of America and Mr. John A. Ferguson, executive director, Independent Natural Gas Association of America. Their testimony was to the effect that steel pipe had been sent to Venezuela and Saudi Arabia to promote oil production in those countries at a time when pipe was in short supply in the United States for oil and natural-gas production and distribution. These witnesses took the position that the United States should expand and stimulate its domestic production by assuring a sufficient supply of pipe for the oil and gas industry. Under present administration, it is not clear that the Secretary of Commerce could decide such an issue.

The export program controls 4 to 5 billion dollars' worth of commodities. The powers granted to the President under both acts affect prices, production, and distribution in our domestic economy, and the success of our foreign policy. It is imperative that they be administered efficiently, with concern for, and consistent with the policies which justify their grant from the Congress.

In order to fix responsibility for the power to make decisions, and to provide for a coordinated effective administration of the powers extended by Senate bill 1461, provision is made in section 6 for the appointment by the President, with the advice and consent of the Senate, of an Administrator of Import and Export Controls, with authority to establish policies and programs consistent with the general policies announced in section 2 of the act, and with power to approve or disapprove any action taken and to exercise over-all control, subject only to the direction of the President.

Provision is made for an advisory committee composed of the Secretaries of War, State, Agriculture, Interior, and Commerce, in which policies, programs, and procedures can be developed and recommendations made to the Administration. It is contemplated that the Administrator will use as far as possible the organizations in other departments of the Governments now concerned with the administration of the President's powers, and will delegate to such departments appropriate powers, but reserving final power to approve or disapprove any action taken by such departments. For example, he can delegate to the Department of Agriculture the authority to determine the amount of exportable grains, and to make recommendations concerning allocations to the War Department, the State Department, and to foreign countries, subject to approval of the Administrator.

The committee has not attempted to set out the details of administration. It has provided in the bill that the Administrator shall make quarterly reports to the President and to the Congress, which shall contain detailed information with respect to licensing procedures, allocations, and priorities under the Second War Powers Act, and the allocation or nonallocation of commodities under the Export Control Act upon a country basis. This requirement, together with discussion of criticisms and the specific recommendations made in this report, are intended to bring about the study, review, and improvement of administrative procedures as well as policies.

Criticism was made of certain administrative procedures, and the committee believes that the procedures should be thoroughly examined by the Administrator and defects corrected.

A. CRITICISM DEVELOPED IN HEARINGS AND RECOMMENDATIONS

1. Failure to allocate essential exports such as steel, copper, and lumber upon a country basis. An argument advanced by Government officials for retention of export controls was that the United States would be enabled to allocate essential commodities to countries of great need and to those friendly to our foreign policy. This Government has not followed its stated policy with respect to many commodities, particularly steel, copper, and lumber. The Department of Commerce has issued general licenses against the total exportable surplus and the licensees are permitted to sell to any country willing and able to buy, without regard to need or attitude toward our domestic or foreign policy. Countries with dollar exchange bid competitively for such commodities, raising export prices and affecting domestic prices. Countries to which we have loaned or granted money are forced to pay higher prices for essential commodities. It is recommended that the Administration review the present policy with respect to the export of steel, copper, lumber, and other essential commodities and that allocations on a country basis be made if necessary to effectuate the objective of providing essentials for friendly and needy countries. Attention is called to the report and recommendations of Senator Edward Martin with respect to steel, printed in this report.

2. The committee did not find any serious evidence of "red tape," but it is convinced that policies and procedures are developed without adequate consultation with private industry, trade, and individuals concerned with controls. It is recommended that the Administrator

provide methods for continuous and close consultation with such interested parties.

3. The criticism heard was directed toward licensing procedures, particularly strong complaints being filed by Mr. S. Olsen, of the Siegfried Olsen Shipping Co., San Francisco, Calif., and Mr. Dyke Cullum, exporter. Criticism was made of the policy of granting licenses for 85 percent of export quotas to the so-called "historical exporter," upon the ground that such a policy excluded new firms and small business from the export business. This policy should be reviewed with the view of allowing freer competition and of assuring equitable treatment of applicants.

A second and more serious criticism was that licenses are issued to exporters without bona fide orders, and that licenses are sold and transferred at high prices. The committee received no definite proof that such sales and transfers are made, but on the other hand, received no satisfactory explanation from the Department of Commerce issuing licenses. It is strongly urged that the Administrator immediately investigate licensing procedures, that he institute procedures that will effectively prevent the transfer of licenses without the consent of the issuing agency, that licenses be granted only to exporters possessing bona fide orders, and that the period for which they are valid be of short duration, consistent with the subject of the commodity to be delivered.

4. One of the strongest complaints made concerned the procurement by the Production and Marketing Administration of wheat for export trade. The testimony of Mr. Schiltbuis, vice president, North American Export Grain Association, Westport, Conn., concerning this matter is outlined in section III-A-4 of this report, and arguments advanced in favor of Government procurement of wheat are found in the same section. The committee recommends that the Administrator review this procedure immediately and that he report his findings to the President and to Congress, with full information as required in the bill. It is the opinion of the committee that the procurement of wheat should be returned to trade at the earliest moment. It is to be noted that Capt. Granville Conway, coordinator, emergency export programs, and president, Cosmopolitan Shipping Co., testified that it was his opinion that the trade could assume this responsibility and could exercise it more efficiently than the Government.

SUMMARY OF THE BILL

The bill consolidates certain of the features of S. 1461 and S. 1460. It provides for a limited extension of certain of the powers to control critically short materials now provided for in the First Decontrol Act of 1947 and for the temporary extension of certain export controls now provided for in the Export Control Act, as amended. Both of these acts expire on June 30, 1947.

Section 1 provides that the act may be cited as the "Second Decontrol Act of 1947."

Section 2 contains a declaration of policy by the Congress as to the necessity for extending certain emergency wartime controls to the minimum extent necessary: (1) To protect the domestic economy from the injury which would result from adverse distribution of materials which continue in short world supply; (2) to promote production in

the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States; (3) to make available to countries in need consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate; and (4) to aid in carrying out the foreign policy of the United States.

Section 3 provides for the amendment of title XV, section 1501 of the Second War Powers Act, 1942, as amended, by extending the termination date from June 30, 1947, to June 30, 1948.

Language referring especially to the First Decontrol Act of 1947 has been inserted in subsection (a) of section 1501 to insure the continuity through June 30, 1947, of the controls provided by that act but which are not now to be continued, such as controls over streptomycin and production of tractors for export.

Subsection (b) of section 1501 provides that title III of the act shall remain in force only until June 30, 1948, for the exercise of the powers, authority, and discretion thereby conferred on the President, but limited to materials (and to facilities suitable for the manufacture of such materials) identified in paragraphs (1), (2), (3), (4), (5), and (6). These paragraphs cover the following: (1) Tin and tin products (except for import control of tin ores and tin concentrates); (2) manila (abaca) fiber and cordage, and agave fiber and cordage; (3) antimony; (4) materials needed to aid foreign production of materials critically needed in the United States. Such aid is in the form of priorities assistance in procuring materials needed for foreign production; (5) import control over fats and oils and over rice and rice products. Petroleum and petroleum products are not included, but oil-bearing materials, fatty acids, butter, soap, and soap powder are included. This paragraph also covers import control and control over priority in production and delivery for export of nitrogenous fertilizer materials; and (6) materials whose prompt export is requisite to carrying out the foreign policy of the United States upon certification by the Secretary of State as to its high public importance. To accomplish this, provision is made for priority in production and priority in delivery for export.

Subsection (c) of section 1501 continues the present provision for earlier termination by joint resolution or by the President. It also makes clear that the limited extension of title III does not extend the provisions of that title relating to negotiation of contracts without advertising or competitive bidding, and that Public Law 24, Eightieth Congress (Rubber Control Act) and the Sugar Control Extension Act of 1947 are not affected. Nor does such extension continue any controls over the use of transportation equipment and facilities by rail carriers. The Reed bill (S. 1297) is now on the Senate Calendar and provides for continuing controls with respect to such equipment and facilities through January 31, 1948. If such bill does not become law and no other statute is enacted there will be no authority under the Second War Powers Act, as amended by this bill, to control the use of such equipment and facilities.

Section 4 extends the present termination date of the Export Control Act until June 30, 1948, or any prior date which the Congress, by concurrent resolution, or the President may designate. It is under this act that the Government is authorized to prohibit or curtail exports of any articles or commodities from the United States to any

foreign country. There is no limitation provided as to the articles or commodities which may be controlled, except that the stated policies set out in section 2 will be applicable to export controls in the same manner as to the controls exercised under the Second War Powers Act, 1942, as amended.

Section 5 exempts from the Administrative Procedure Act the functions exercised under title III of the Second War Powers Act, as amended, and the functions exercised under the Export Control Act, as amended, except for the requirements of section 3 (relating to public information) and of section 10 (relating to judicial review).

Section 6 provides for an Administrator of Import-Export Controls to be appointed by the President by and with the advice and consent of the Senate. The Administrator is empowered to establish policies and programs and to exercise over-all control, subject to the direction of the President, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, as amended, and under the Export Control Act, as amended. Subject to the direction of the President, the Administrator is also authorized to approve or disapprove any action taken under such delegated authority. Provision also is made for appointment by the President of a committee to advise the Administrator, consisting of the Secretaries of State, War, Agriculture, Interior, and Commerce.

This section also requires the Administrator to make a quarterly report to the President and to the Congress of his operations under the authority conferred on him by this section. Congress and the President will thus have complete and detailed information as to the activities of the departments and agencies under the extended authority conferred by this bill. It is also provided that each such report shall contain a determination by the Administrator as to whether such controls should or should not be continued, together with the current facts and reasons therefor. Such report shall also contain detailed information with respect to licensing procedures under such two acts, allocations and priorities under the Second War Powers Act, and quotas established for export purposes under the Export Control Act. With respect to the last requirement the report must also show in detail the allocation or nonallocation by countries of materials and commodities (together with the reasons therefor) under the Export Control Act.

Section 7 permits the reemployment of personnel engaged during June 1947 in the performance of duties related to the functions and powers extended by the act, in order to maintain continuity in employment of approximately 225 experienced personnel, without which the administration of these functions would be jeopardized. Such authority to reemploy personnel is necessary because under existing law personnel having a war service or temporary status may not be readily reemployed after their services have been terminated because of the requirement of existing law that personnel with a permanent status must be given priority.

Section 8 authorizes an appropriation, out of any money in the Treasury not otherwise appropriated, of such sums as may be necessary to carry out the purposes of this act.

Section 9 establishes the effective date of the act as July 1, 1947.

The title of the bill is changed to read:

An act to extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes.

80TH CONGRESS
1ST SESSION

S. 1461

[Report No. 340]

IN THE SENATE OF THE UNITED STATES

JUNE 17 (legislative day, APRIL 21), 1947

Mr. COOPER introduced the following bill; which was read twice and referred to the Committee on the Judiciary

JUNE 23 (legislative day, APRIL 21), 1947

Reported by Mr. COOPER, with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To extend certain powers of the President under title III of the
Second War Powers Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **FINDINGS OF FACT AND DECLARATION OF POLICY**

4 **SECTION 1.** ~~(a)~~ Certain materials and facilities continue
5 in short supply at home and abroad as a result of the war.
6 The continued exercise of certain limited emergency powers
7 is required to complete the orderly reconversion of the domes-
8 tic economy from a wartime to a peacetime basis, to protect
9 the health, safety, and welfare of the American people, and
10 to support the foreign policy of the United States.

1 ~~(b)~~ It is the general policy of the United States to
2 continue emergency wartime controls of materials only to
3 the minimum extent necessary. ~~(1)~~ to protect the domestic
4 economy from the injury which would result from adverse
5 distribution of materials which continue in short world
6 supply; ~~(2)~~ to promote production in the United States by
7 assisting in the expansion and maintenance of production in
8 foreign countries of materials critically needed in the United
9 States; and ~~(3)~~ to aid in carrying out the foreign policy of
10 the United States.

11 TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

12 SEC. 2. To effectuate the policies set forth in section 1
13 hereof, title XV, section 1501, of the Second War Powers
14 Act, 1942, approved March 27, 1942, as amended, is
15 amended to read as follows:

16 "SEC. 1501. ~~(a)~~ Except as otherwise provided by
17 statute enacted during the first session of the Eightieth
18 Congress and except as otherwise provided by subsection
19 ~~(b)~~ of this section, titles I, II, III, IV, V, VII, and
20 XIV of this Act and the amendments to existing law made
21 by such titles shall remain in force only until March 31,
22 1947. After the amendments made by any such title cease
23 to be in force, any provisions of law amended thereby
24 ~~(except subsection (a) of section 2 of the Act entitled~~
25 ~~'An Act to expedite national defense, and for other purposes',~~

1 approved June 28, 1940, as amended by the Act of May
2 31, 1941) shall be in full force and effect as though this
3 Act had not been enacted.

4 “(b) Title III of this Act and the amendments to
5 existing law made by such title shall remain in force only
6 until June 30, 1948, for the exercise of the powers,
7 authority, and discretion thereby conferred on the President,
8 but limited to the following materials, and to facilities
9 suitable for the manufacture of such materials:

10 “(1) Tin and tin products;

11 “(2) Manila (abaca) fiber and cordage, and agave
12 fiber and cordage;

13 “(3) Antimony;

14 “(4) Cinchona bark, quinine, and quinidine;

15 “(5) Such materials for export which are required to
16 expand or maintain the production in foreign countries of
17 materials critically needed in the United States, for the pur-
18 pose of establishing priority in production and delivery for
19 export, and such materials which are necessary for manu-
20 facture and delivery of the materials required for such export;

21 “(6) Fats and oils (including oil-bearing materials,
22 fatty acids, butter, soap and soap powder, but excluding
23 petroleum and petroleum products and rice and rice products,
24 for the purpose of exercising import control, and nitrogenous
25 fertilizer materials for the purposes of exercising import

1 control and of establishing priority in production and delivery
2 for export;

3 “(7) Materials (except foods and food products and
4 fertilizer materials) required for export, but only upon certi-
5 fication by the Secretary of State that the prompt export of
6 such materials is of high public importance and essential
7 to successful carrying out of the foreign policy of the United
8 States, for the purpose of establishing priority in production
9 and delivery for export, and such materials as may be neces-
10 sary for the manufacture and delivery of the materials
11 required for such export: *Provided*, That, notwithstanding
12 the extension to June 30, 1948, made by this subsection,
13 the two Houses of Congress by concurrent resolution or the
14 President may designate an earlier time for the termination
15 of any power, authority, or discretion under such title III:
16 *Provided further*, That nothing in this subsection (b) shall
17 be construed to continue beyond March 31, 1947, any
18 authority under paragraph (1) of subsection (a) of section 2
19 of the Act entitled, ‘An Act to expedite national defense and
20 for other purposes’, approved June 28, 1940, as amended,
21 to negotiate contracts with or without advertising or competi-
22 tive bidding: *Provided further*, That nothing contained herein
23 shall affect the authority conferred by Public Law 24, Eighti-

1 eth Congress, approved March 29, 1947, or the Sugar Con-
2 trol Extension Act of 1947.

3 “(e) The functions exercised under title III of this Act
4 and the amendments to existing law made by such title shall
5 be excluded from the operation of the Administrative Pro-
6 cedure Act, except as to the requirements of section 3 of that
7 Act.”

8 *That this Act shall be cited as the “Second Decontrol Act*
9 *of 1947”.*

10 *DECLARATION OF POLICY*

11 *SEC. 2. The Congress hereby declares that it is the*
12 *general policy of the United States to eliminate emergency*
13 *wartime controls of materials except to the minimum extent*
14 *necessary (1) to protect the domestic economy from the in-*
15 *jury which would result from adverse distribution of*
16 *materials which continue in short world supply; (2) to pro-*
17 *mote production in the United States by assisting in the*
18 *expansion and maintenance of production in foreign coun-*
19 *tries of materials critically needed in the United States;*
20 *(3) to make available to countries in need, consistent with*
21 *the foreign policy of the United States, those commodities*
22 *whose unrestricted export to all destinations would not be*
23 *appropriate; and (4) to aid in carrying out the foreign*
24 *policy of the United States.*

1 *TEMPORARY RETENTION OF CERTAIN EMERGENCY*

2 *POWERS* .

3 *SEC. 3. To effectuate the policies set forth in section 2*
4 *hereof, title XV, section 1501, of the Second War Powers*
5 *Act, 1942, approved March 27, 1942, as amended, is*
6 *amended to read as follows:*

7 “SEC. 1501. (a) Except as otherwise provided by statute
8 enacted during the Eightieth Congress (including the First
9 Decontrol Act of 1947) and except as otherwise provided by
10 subsection (b) of this section, titles I, II, III, IV, V, VII, and
11 XIV of this Act and the amendments to existing law made by
12 such titles shall remain in force only until March 31, 1947.
13 After the amendments made by any such title cease to be in
14 force, any provisions of law amended thereby (except sub-
15 section (a) of section 2 of the Act ‘An Act to expedite
16 national defense, and for other purposes’, approved June 28,
17 1940, as amended) shall be in full force and effect as though
18 this Act had not been enacted.

19 “(b) Title III of this Act and the amendments to existing
20 law made by such title shall remain in force only until June
21 30, 1948, for the exercise of the powers, authority, and dis-
22 cretion thereby conferred on the President, but limited to the
23 materials, and to facilities suitable for the manufacture of such
24 materials, as follows:

1 “(1) Tin and tin products (but not including import
2 control of tin ores and tin concentrates);

3 “(2) Manila (abaca) fiber and cordage, and agave fiber
4 and cordage;

5 “(3) Antimony;

6 “(4) Such materials for export which are required to
7 expand or maintain the production in foreign countries of
8 materials critically needed in the United States, for the pur-
9 pose of establishing priority in production and delivery for
10 export, and such materials which are necessary for manu-
11 facture and delivery of the materials required for such export;

12 “(5) Fats and oils (including oil-bearing materials,
13 fatty acids, butter, soap and soap powder, but excluding pe-
14 troleum and petroleum products) and rice and rice products,
15 for the purpose of exercising import control; and nitrogenous
16 fertilizer materials for the purposes of exercising import
17 control and of establishing priority in production and delivery
18 for export;

19 “(6) Materials (except foods and food products and
20 fertilizer materials) required for export, but only upon certi-
21 fication by the Secretary of State that the prompt export of
22 such materials is of high public importance and essential to
23 the successful carrying out of the foreign policy of the United
24 States, for the purpose of establishing priority in production

1 and delivery for export, and such materials as may be neces-
2 sary for the manufacture and delivery of the materials re-
3 quired for such export.

4 “(c) Notwithstanding the extension to June 30, 1948,
5 made by subsection (b), the Congress by concurrent resolu-
6 tion or the President may designate an earlier time for the
7 termination of any power, authority, or discretion under
8 such title III. Nothing in subsection (b) shall be construed
9 to continue any authority under paragraph (1) of sub-
10 section (a) of section 2 of the Act entitled ‘An Act to ex-
11 pedite national defense and for other purposes’, approved
12 June 28, 1940, as amended, to negotiate contracts with or
13 without advertising or competitive bidding; and nothing
14 contained in this section, as amended, shall affect the
15 authority conferred by Public Law 24, Eightieth Congress,
16 approved March 29, 1947, or the Sugar Control Extension
17 Act of 1947, or be construed to continue beyond June 30,
18 1947, any authority with respect to the use of transportation
19 equipment and facilities by rail carriers.”

20 TEMPORARY EXTENSION OF CERTAIN EXPORT CONTROLS

21 SEC. 4. To effectuate the policy set forth in section 2
22 hereof, section 6 (d) of the Act of July 2, 1940 (54 Stat.
23 714), as amended, is amended to read as follows:

24 “(d) The authority granted by this section shall ter-
25minate on June 30, 1948, or any prior date which the Con-

gress by concurrent resolution or the President may designate.”

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 5. *The functions exercised under title III of the Second War Powers Act, 1942, as amended (including the amendments to existing law made by such title), and the functions exercised under such Act of July 2, 1940, as amended, shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of sections 3 and 10 thereof.*

ADMINISTRATOR OF IMPORT AND EXPORT CONTROLS

SEC. 6. (a) *There is hereby established in the Executive Office of the President an Administrator of Import and Export Controls (hereinafter called the “Administrator”), who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$15,000 per annum. The Administrator is authorized to appoint such officers and employees as may be necessary to enable him to perform his duties.*

(b) *The Administrator, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this Act, and to exercise over-all control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended,*

1 and the Act entitled "An Act to expedite the strengthening of
2 the national defense", approved July 2, 1940, as amended.
3 The Administrator is further authorized, subject to the direc-
4 tion of the President, to approve or disapprove any action
5 taken under such delegated authority, and may promulgate
6 such rules and regulations as may be necessary to enable him
7 to perform the functions, powers, and duties imposed upon
8 him by this section.

9 (c) The Administrator shall make a quarterly report
10 to the President and to the Congress of his operations under
11 the authority conferred on him by this section. Each such
12 report shall contain a determination by him as to whether
13 the controls exercised under title III of the Second War
14 Powers Act, 1942, as amended, and the Act entitled "An
15 Act to expedite the strengthening of the national defense",
16 approved July 2, 1940, as amended, should or should not
17 be continued, together with the current facts and reasons
18 therefor. Each such report shall also contain detailed in-
19 formation with respect to licensing procedures under such
20 Acts, allocations and priorities under the Second War Powers
21 Act, 1942, as amended, and the allocation or nonallocation
22 to countries of materials and commodities (together with the
23 reasons therefor) under the Act entitled "An Act to expedite
24 the strengthening of the national defense", approved July 2,
25 1940, as amended.

1 *(d) The President is authorized to appoint an advisory*
2 *committee consisting of the Secretaries of State, War, Agri-*
3 *culture, Interior, and Commerce to advise the Director in*
4 *the performance of his duties.*

PERSONNEL

6 *SEC. 7. Notwithstanding any other law to the contrary,*
7 *personnel engaged in the performance of duties related to*
8 *functions, powers, and duties delegated by the President*
9 *under the Second War Powers Act of 1942, as amended,*
10 *and the Act entitled "An Act to expedite the strengthening*
11 *of the national defense", approved July 2, 1940, as amended,*
12 *and whose employment was terminated; or who were fur-*
13 *loughed, in June 1947, may be reemployed to perform duties*
14 *in connection with the functions, powers, and duties extended*
15 *by this Act.*

APPROPRIATIONS

17 *SEC. 8. There is hereby authorized to be appropriated,*
18 *out of any money in the Treasury not otherwise appro-*
19 *priated, such sums as may be necessary to carry out the*
20 *purposes of this Act.*

EFFECTIVE DATE

22 *SEC. 9. This Act shall take effect on July 1, 1947.*

Amend the title so as to read: "A bill to extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes."

80TH CONGRESS
1ST SESSION

S. 1461

[Report No. 340]

A BILL

To extend certain powers of the President under
title III of the Second War Powers Act.

By Mr. COOPER

JUNE 17 (legislative day, APRIL 21), 1947

Read twice and referred to the Committee on the
Judiciary

JUNE 23 (legislative day, APRIL 21), 1947

Reported with amendments

DIGEST OF CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued June 25, 1947
For actions of June 24, 1947
80th-1st, No. 120

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HIGHLIGHTS: House sent deficiency appropriation bill to President. House passed foreign information and educational exchange and RFC extension bills. House committee reported bill to continue certain war powers. Senate passed measure ending certain war and emergency powers. Senate committees approved bill to transfer Remount Service to USDA, measure to consolidate all general appropriation bills, and reported bill to establish Commission on Organization in Executive Branch. Bills introduced authorizing sale of CCC-owned peanuts and giving veterans priority for surplus farm lands.

HOUSE

1. **FOREIGN AFFAIRS.** Passed, 272-97, the foreign information and educational exchange bill (pp. 7765-74). For its provisions see Digest 109.

2. **SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947.** Agreed to the Senate amendments to this bill, H. R. 3791 (pp. 7763-4). This bill will now be sent to the President.

As finally passed, the bill includes the following items: Foot-and-mouth disease campaign, \$1,500,000 additional, fiscal year 1947. Authorizes construction, from 1947 funds, of 4 buildings at the New Iberia Livestock Experiment Station, La., to replace buildings destroyed by storm. Provides that the limitation in the 1947 Agricultural Appropriation Act on the amount to be used for construction of a building for investigations of pneumoencephalitis in poultry be increased from \$30,000 to \$55,000. Ratifies and confirms all obligations incurred between June 30, 1947, and the date of enactment of the applicable appropriation acts as may not be enacted by July 1, 1947, in anticipation of such appropriations and authority if in accordance with the terms thereof. Provides that, where employees are separated through reduction in force during July 1947 and were given separation notices during the fiscal year 1947, the lump-sum terminal-leave payments may be charged against unobligated 1947 appropriations from which such employees were paid. Emergency flood-control work by the War Department, \$12,000,000.

3. **RECONSTRUCTION FINANCE CORPORATION.** Passed, 334-4, H. R. 3916, to continue RFC but limit its powers (pp. 7776-91) as reported. Then passed S. J. Res. 135 with the language of the House bill; the House bill was then laid on the table (pp. 7791-2).

The Senate measure would provide for a simple continuation of RFC until June 30, 1948, by which time a Federal charter must be acted upon pursuant to the Government Corporations Control Act.

The House bill extends RFC through June 30, 1949; reduces its borrowing power to \$2,000,000,000; abolishes the Federal Loan Agency; authorizes RFC to make priority purchases of surplus property for resale to small business; terminates RFC's authority to purchase loans guaranteed under the Servicemen's Readjustment Act; provides for transfer to Treasury of all rights and interests of RFC in loans previously made by RFC for rural rehabilitation, farm tenancy, or rural electrification, and cancellation of Treasury-held RFC notes for such amounts, and prohibits RFC from making such loans in the future. The Committee report says "the committee is in full accord" with the provisions in the agricultural appropriation bill regarding REA loans from RFC.

4. WAR POWERS; CLAIMS. The Judiciary Committee ordered reported* with amendments H. R. 3647, to extend certain powers under the Second War Powers Act (including priorities, allocations, and export controls), and H. R. 3690, to amend the Federal Tort Claims Act to provide for payment of punitive damages in certain cases (p. D430).

*Copies not available until actually reported, when this Digest will carry a note to that effect. (P. S. H.R. 3647 later reported - p. 7795.)

5. ASSISTANT SECRETARY OF COMMERCE. The Interstate and Foreign Commerce Committee reported without amendment H. R. 3855, to provide for an additional Assistant Secretary of Commerce (H. Rept. 642)(p. 7795).
6. FUEL DEMONSTRATION. The Public Lands Committee reported with amendment H. R. 2161, to authorize an increase in appropriations, and extend the time of operation, for demonstration plants to produce synthetic liquid fuels from minerals and agricultural and forestry products (H. Rept. 675)(p. 7795).
7. FORESTS. The Public Lands Committee reported with amendment H. R. 3175, to add certain lands to the Shasta National Forest, Calif. (H. Rept. 680)(p. 7795).
8. APPROPRIATIONS. Received from the President a supplemental appropriation estimate of \$400,000,000 for assistance to Greece and Turkey (H.Doc. 344); \$15,405.48 for War Department claims (H.Doc. 351); \$44,496.30 for judgments rendered against the U.S. by district courts (H.Doc. 352); \$51,447,842.71 for claims allowed by the GAO (H.Doc. 356); \$382,494.38 for judgments rendered by the Court of Claims (H.Doc. 362); various amounts submitted by several U.S. agencies to pay claims for damages to or losses of privately owned property (H.Doc. 357); and a proposed provision relating to judgments rendered against the U.S. (H.Doc. 358). To Appropriations Committee. (p. 7794.)
9. REPORTS. Received the 20th Report of the Office of Price Administration for the period ended Dec. 31, 1946 (H.Doc. 343); and RFC's report of operations for the period Feb. 2, 1932, to Sept. 30, 1946. To Banking and Currency Committee. (p. 7794.)
10. SUGAR. The House Agriculture Committee is considering a "committed print" of a bill which provides as follows: Reenacts the Sugar Act of 1937 with changes; extends the termination date from Dec. 31, 1947, to Dec. 31, 1952; and extends the sugar tax to July 1, 1953. Changes the method of estimating each year the quantity of sugar needed to meet consumer requirements in continental U.S. Establishes quotas for domestic areas in specific amounts and, after apportionment of a quota of 952,000 short tons to the Philippines, apportions the remainder of the consumption estimate to foreign countries. Guarantees for Cuba a minimum quota, after reallocation of deficits, equivalent to the share provided for Cuba in the Act. Authorizes the Secretary to withhold or withdraw any quota increase for any foreign country over that provided for such country under the Act if

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. H. R. 3830. A bill to provide for the promotion and elimination of officers of the Army, Navy, and Marine Corps, and for other purposes; without amendment (Rept. No. 641). Referred to the House Calendar.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 3855. A bill to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes; without amendment (Rept. No. 642). Referred to the Committee of the Whole House on the State of the Union.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 669. A bill to provide a method of paying subrogation claims arising out of insurance payments for damages sustained as the result of explosions at Port Chicago, Calif., on June 17, 1944; with an amendment (Rept. No. 643). Referred to the Committee of the Whole House on the State of the Union.

Mr. HULL: Committee on Banking and Currency. H. R. 1180. A bill to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the admission of Wisconsin into the Union as a State; without amendment (Rept. No. 644). Referred to the Committee of the Whole House on the State of the Union.

Mr. BRADLEY: Committee on Merchant Marine and Fisheries. H. R. 3672. A bill to create an Academic Advisory Board for the United States Merchant Marine Academy; without amendment (Rept. No. 646). Referred to the Committee of the Whole House on the State of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 3566. A bill to amend subsection (c) of section 19 of the Immigration Act of 1917, as amended, and for other purposes; with amendments (Rept. No. 647). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 175. A bill to confer upon the Governor of Alaska the power to pardon and remit fines and forfeitures for offenses against the laws of the Territory of Alaska; without amendment (Rept. No. 668). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 187. A bill to amend Public Law 304, Seventy-seventh Congress; with an amendment (Rept. No. 669). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 205. A bill to amend the act approved May 7, 1934, granting citizenship to the Metlakatla Indians of Alaska; with an amendment (Rept. No. 670). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 734. A bill to amend the act of February 12, 1925, and for other purposes; without amendment (Rept. No. 671). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 1337. A bill authorizing a per capita payment of \$100 each to the members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; with an amendment (Rept. No. 672). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 1554. A bill to amend the act entitled "An act providing for the transfer of the duties authorized and authority conferred by

law upon the board of road commissioners in the Territory of Alaska to the Department of the Interior, and for other purposes," approved June 30, 1932; without amendment (Rept. No. 673). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 1609. A bill to authorize the Legislature of the Territory of Alaska to provide for the exercise of zoning power in town sites on the public lands of the United States; without amendment (Rept. No. 674). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2161. A bill to amend the act entitled "An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shales, agricultural and forestry products, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes," approved April 5, 1944 (58 Stat. 190); with an amendment (Rept. No. 675). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2361. A bill to clarify the legal status of certain lands described in a treaty between the United States and the Delaware Indians, dated October 3, 1818; with an amendment (Rept. No. 676). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2481. A bill to authorize the payment of certain sums to jobbers in connection with their logging of timber for the Menominee Indians on the Menominee Reservation during the logging season 1934-35, and for other purposes; with an amendment (Rept. No. 677). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 2996. A bill to authorize an appropriation for public-school facilities at Owyhee, Nev.; with an amendment (Rept. No. 678). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3153. A bill to provide for the sale or other disposal of certain submarginal lands located within the boundaries of Indian reservations in the State of Montana; with an amendment (Rept. No. 679). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3175. A bill to add certain public and other lands to the Shasta National Forest, Calif.; with an amendment (Rept. No. 680). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3343. A bill to amend the Alaska game law; without amendment (Rept. No. 681). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3266. A bill to authorize the issuance of certain public improvement bonds by the Territory of Hawaii; without amendment (Rept. No. 682). Referred to the House Calendar.

Mr. WELCH: Committee on Public Lands. H. R. 3376. A bill to ratify and confirm Act 10 of the Session Laws of Hawaii, 1947, extending the time within which revenue bonds may be issued and delivered under chapter 118, Revised Laws of Hawaii, 1945; without amendment (Rept. No. 683). Referred to the House Calendar.

Mr. WELCH: Committee on Public Lands. H. R. 3679. A bill to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds; with an amendment (Rept. No. 684). Referred to the House Calendar.

Mr. DONDERO: Committee on Public Works. S. 723. An act to authorize the preparation of preliminary plans and estimates of cost for an additional office building for the use of the United States Senate; without amendment (Rept. No. 685). Referred to the Committee of the Whole House on the State of the Union.

Mr. DONDERO: Committee on Public Works. S. 980. An act to amend the act entitled "An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes," approved July 31, 1946; without amendment (Rept. No. 686). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3623. A bill to provide that members of the Communist Party shall be ineligible for veterans' benefits, and for other purposes; with an amendment (Rept. No. 687). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPRINGER: Committee on the Judiciary. H. R. 3647. A bill to extend certain powers of the President under title III of the Second War Powers Act; with an amendment (Rept. No. 688). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 629. A bill for the relief of A. E. McCartney and O. A. Foster; with amendments (Rept. No. 648). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 642. A bill for the relief of Frank F. Miles; with an amendment (Rept. No. 649). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1296. A bill for the relief of Cohen, Goldman & Co., Inc.; with an amendment (Rept. No. 650). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1498. A bill for the relief of Hempstead Warehouse Corp.; with an amendment (Rept. No. 651). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 1502. A bill for the relief of Herman Trahn; with an amendment (Rept. No. 652). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1535. A bill for the relief of the legal guardian of Ralph Stanfield, a minor; with an amendment (Rept. No. 653). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 1670. A bill for the relief of Pittsburgh DuBois Co.; with an amendment (Rept. No. 654). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 1726. A bill for the relief of Elsie L. Rosenow; with an amendment (Rept. No. 655). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 2062. A bill for the relief of Mrs. Carrie M. Lee; with an amendment (Rept. No. 656). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 2390. A bill for the relief of Elmer A. Norris; with an amendment (Rept. No. 657). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 2507. A bill for the re-

lief of the firm of Barrett & Hilp; without amendment (Rept. No. 658). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 2550. A bill for the relief of Mack Gene Odom, a minor; with an amendment (Rept. No. 659). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. S. 53. An act conferring United States citizenship posthumously upon Harold Turcean; without amendment (Rept. No. 660). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 394. An act authorizing the issuance of a patent in fee to Raymond Wesley Doyle; without amendment (Rept. No. 661). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 395. An act authorizing the issuance of a patent in fee to Richard Jay Doyle; without amendment (Rept. No. 662). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 396. An act authorizing the issuance of a patent in fee to Thurlow Grey Doyle; without amendment (Rept. No. 663). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 397. An act authorizing the issuance of a patent in fee to Lawrence Stanley Doyle; without amendment (Rept. No. 664). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. S. 399. An act authorizing the issuance of a patent in fee to Gladys May Doyle; without amendment (Rept. No. 665). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. H. R. 2885. A bill authorizing the Secretary of the Interior to issue a patent in fee to Becker Little Light; with an amendment (Rept. No. 666). Referred to the Committee of the Whole House.

Mr. WELCH: Committee on Public Lands. H. R. 2886. A bill authorizing the sale, under supervision, of land of Richard Little Light; without amendment (Rept. No. 667). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Massachusetts:

H. R. 3939. A bill to provide for the granting to certain officers of the Navy, Marine Corps, and Coast Guard of the benefits of promotions for which they were selected during the war but were prevented from receiving by virtue of being absent in a status of missing, missing in action, interned in a neutral country, captured by an enemy, beleaguered, or besieged, and for other purposes; to the Committee on Armed Services.

By Mr. DIRKSEN:

H. R. 3940. A bill to amend the act approved April 12, 1945 (59 Stat. 50), to authorize Commodity Credit Corporation, as an agency of the United States, to sell peanuts owned or controlled by it, and for other purposes; to the Committee on Banking and Currency.

By Mr. HAYS:

H. R. 3941. A bill to provide special priorities for the disposal of surplus agricultural real property to veterans who intend to live on farms and to engage in farming as their principal occupation, to eliminate the priorities of State and local governments and tenants of former owners with respect to such property, to reduce from 90 to 30 days the priority period within which former owners of surplus real property may exercise their priorities, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. HILL:

H. R. 3942. A bill to extend for 1 year premium price payments with respect to copper, lead, and zinc; to the Committee on Banking and Currency.

By Mr. HOFFMAN:

H. R. 3943. A bill to require laundries in the District of Columbia to provide bond for the loss of customers' property; to the Committee on the District of Columbia.

By Mr. KING:

H. R. 3944. A bill to create an Independent Air Safety Board; to the Committee on Interstate and Foreign Commerce.

By Mr. LESINSKI:

H. R. 3945. A bill to repeal Public Law No. 101 of the Eightieth Congress; to the Committee on Education and Labor.

By Mr. MACKINNON:

H. R. 3946. A bill to authorize the immediate payment in cash of bonds issued under the Armed Forces Leave Act of 1946, and for other purposes; to the Committee on Armed Services.

By Mr. PLOESER:

H. R. 3947. A bill to amend the Strategic and Critical Materials Stock Piling Act; to the Committee on Armed Services.

By Mr. ROSS:

H. R. 3948. A bill to incorporate the Gold Star Society of American War Widows and Orphans; to the Committee on the Judiciary.

By Mr. BISHOP:

H. R. 3949. A bill to amend section 14 of the Flood Control Act of 1946 so as to provide for the removal of obstructions, ice, drift, and debris; to the Committee on Public Works.

By Mr. KNUTSON:

H. R. 3950. A bill to reduce individual income tax payments; to the Committee on Ways and Means.

H. R. 3951. A bill to terminate certain tax provisions before the end of World War II; to the Committee on Ways and Means.

By Mr. WOLCOTT:

H. R. 3952. A bill to amend section 10 of the Federal Reserve Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. FELLOWS (by request):

H. R. 3953. A bill to amend the immigration laws relating to stowaways; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 3954. A bill to approve Act No. 74 of the Session Laws of 1947 of the Territory of Hawaii, entitled "An act relating to revenue bonds of the Territory of Hawaii," and Act No. 95 of the Session Laws of 1947 of the Territory of Hawaii, entitled "An act relating to Territorial and county public improvements and the financing thereof by the issuance of revenue bonds," to the Committee on Public Lands.

By Mr. KNUTSON:

H. R. 3955. A bill to make inapplicable section 2139 of the Revised Statutes, relating to the traffic in intoxicating liquors in the Indian country, to certain nonreservation lands of the Chippewa Tribe of Indians in the State of Minnesota; to the Committee on Public Lands.

By Mr. LEMKE:

H. R. 3956. A bill to prohibit Members of Congress from serving the United States in any other capacity; to the Committee on the Judiciary.

By Mr. LEWIS (by request):

H. R. 3957. A bill to amend Revised Statutes 4898 (U. S. C., title 35, sec. 47) to add certain requirements as to the recording of subsequent purchases and mortgages affecting patents and patent applications; to the Committee on the Judiciary.

H. R. 3958. A bill to extend temporarily the time for filing applications for patents and for taking action in the United States Patent Office with respect thereto; to the Committee on the Judiciary.

By Mr. SMITH of Virginia:

H. R. 3959. A bill to extend the life of certain provisions of the War Labor Disputes Act; to the Committee on Education and Labor.

By Mr. HUBER:

H. R. 3960. A bill to provide for the free importation of scrap or refuse synthetic rubber; to the Committee on Ways and Means.

By Mr. O'KONSKI:

H. R. 3961. A bill to provide increases in the rates of pension payable to Spanish-American War and Civil War veterans and their dependents; to the Committee on Veterans' Affairs.

By Mr. WOLCOTT:

H. J. Res. 222. Joint resolution terminating consumer credit controls; to the Committee on Banking and Currency.

By Mr. TALLE:

H. Con. Res. 54. Concurrent resolution to provide for the use of Schick General Hospital at Clinton, Iowa, for the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. BUCK:

H. Res. 254. Resolution directing the Secretary of State to transmit forthwith to the Committee on the Judiciary certain documents, records, and memoranda relating to one Serge Rubinstein; to the Committee on the Judiciary.

H. Res. 255. Resolution directing the Attorney General to transmit forthwith to the Committee on the Judiciary certain documents, records, and memoranda relating to one Serge Rubinstein; to the Committee on the Judiciary.

By Mr. EATON:

H. Res. 256. Resolution authorizing the Committee on Foreign Affairs to conduct studies and investigations of all matters coming within the jurisdiction of that committee and providing for participation by members of other standing committees of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to halt all disposal of war surplus goods; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FOGARTY:

H. R. 3962. A bill for the relief of Giuseppe Beghini; to the Committee on the Judiciary.

H. R. 3963. A bill for the relief of William J. Burns; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. R. 3964. A bill for the relief of Thomas D. Sherrard; to the Committee on the Judiciary.

By Mr. O'BRIEN:

H. R. 3965. A bill for the relief of John H. Schmitt and Mrs. Mildred Schmitt; to the Committee on the Judiciary.

By Mr. PETERSON:

H. R. 3966. A bill to authorize and direct the District Court for the Southern District of Florida to hear, determine, and render judgment upon a certain claim of Bessie Irene Edgar without regard to previous settlements with other tortfeasors and lapse of time; to the Committee on the Judiciary.

By Mr. POTTS:

H. R. 3967. A bill for the relief of Samuel Ezratty; to the Committee on the Judiciary.

EXTENDING CERTAIN POWERS OF THE PRESIDENT UNDER TITLE III OF THE SECOND WAR POWERS ACT

JUNE 24, 1947.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SPRINGER, from the Committee on the Judiciary submitted the following

R E P O R T

[To accompany H. R. 3647]

The Committee on the Judiciary, to whom was referred the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

COMMITTEE AMENDMENTS

1. On page 3, line 5, strike out "June 30," substituting in lieu thereof "January 31,".

2. On page 3, line 9, strike out the semicolon, substituting therefor a comma, and insert: "except for the purpose of exercising import control of tin ores and tin concentrates;".

3. On page 3, strike out all of lines 10 and 11.

4. On page 3, line 13, strike out the semicolon, substituting therefor a colon, and add the following proviso:

Provided, That controls shall not apply to any of said materials now held or hereafter required by other than Government agencies;

5. On page 3, lines 23 and 24, strike out the words on line 23 "and rice and rice", and on line 24 strike out the word "products".

6. On page 4, line 3, add a comma after the word "products" and insert at that point "rice and rice products, manila (abaca) fiber and cordage, and agave fiber and cordage,".

7. On page 4, line 12, insert the following proviso after the colon:

Provided, That no such certification by the Secretary of State shall be effective unless and until the Secretary of Commerce shall certify that the proposed action will not be detrimental to the domestic economy of the United States;

8. On page 4, line 13, insert the word "further" between the word "*Provided*" and the comma following the word "*Provided*", and strike out "June 30", substituting therefor "January 31,".

9. On page 3, renumber subsections (3), (4), (5), and (6) as subsections (2), (3), (4), and (5) respectively.

10. On page 4, renumber subsection (7) as subsection (6).

PURPOSE OF THE BILL

Earlier this year this committee held hearings on H. R. 1983, a bill to extend certain of the controls under title III of the Second War Powers Act, and to terminate certain other titles under the act. As a result of these hearings, and of a joint conference between the House and Senate conferees, a conference bill was adopted and became Public Law 29. This law, insofar as it affected title III of the Second War Powers Act, extended the controls thereunder in limited form until June 30, 1947. Subsequently, at the instance of the Administration, the present bill was introduced to further extend certain of the existing controls to June 30, 1948, and comprehensive hearings were held before a subcommittee of this committee on June 6, 1947.

The bill as introduced seeks to continue controls for the stated period on tin and tin products, cordage, antimony, cinchona bark and its derivatives, fats and oils, and materials whose control is essential either (1) to implement our foreign policy, or (2) to expand or maintain the production abroad of materials critically needed in this country. At the hearings on the bill it was sought by the subcommittee to confine the testimony to evidence reflecting a change in the supply or demand picture affecting the particular commodities involved, taking place since March 31, 1947, the effective date of Public Law 29, in order to ascertain the need for a continuation of controls or of immediate termination. The announced attitude of the subcommittee was to favor a termination of controls wherever possible in the absence of a compelling reason for continuation. As a result of the hearings the committee has modified the bill as introduced by means of shortening the termination date to January 31, 1948, and by eliminating some products from control entirely while retaining or abbreviating the control over certain of the others. Reduced to its simplest terms, the action of the committee as to the particular commodities can be summed up in the following manner:

WHAT THE BILL DOES

1. *Tin and tin products.*—While the world shortage of tin is acute and the necessity for control manifest until the foreign producers resume operations on a scale closer to normal, the committee has recommended that controls be lifted on the importation of tin ores and tin concentrates. It is believed that this action, which was actually fashioned from a joint agreement between representatives from the Department of Commerce and a representative from the sole private tin-smelting concern in the United States, will not only serve to encourage the growth of a domestic tin-smelting industry but also eventually to make available a larger quantity of tin for domestic use, without jeopardizing our access to the sources of tin abroad.

2. *Manila (abaca) fiber and cordage, and agave fiber and cordage.*—The representatives from the Department of Commerce, urging continued control over these commodities, were inconclusive in demonstrating the advantages to be gained from continued controls, while the industry was virtually unanimous in its plea for termination. While this in itself would present no necessary yardstick for the committee's action, the committee was impressed with the arguments of the representatives from the industry that the delay attendant upon Government purchases of cordage from markets abroad denied the domestic manufacturer's their fair share of the rapidly increasing world supply, while removal of controls would enable the private manufacturers to act with their customary alacrity in accepting on short-notice offerings made on foreign markets. As the situation now exists, the ponderous inactivity of the governmental purchasing agencies of this country is said to have been frequently responsible for the loss of much of the foreign production to this country, as contrasted with the financial mobility of foreign competitors which enables them to eloin a lion's share of such production through prompt purchasing. Moreover, it was made to appear, without contradiction, that already the domestic manufacturers have produced virtually all of the binder and baler twine required to suffice the needs of our farmers for the forthcoming harvest, so that a termination of controls now would not cause injury to our farming industry which constitutes perhaps the most important single segment of the cordage consuming public. Accordingly, this committee has recommended the elimination of controls over cordage. However, in passing, it is fair to observe that the Department of Commerce has, very commendably, voluntarily relinquished many of the controls over cordage in the course of the past few months.

3. *Antimony.*—There was no conflict or dispute as to the need for continued controls over antimony for the present, so controls have been extended by this committee to January 31, 1948.

4. *Cinchona bark, quinine and quinidine.*—A great amount of conflicting testimony was adduced with reference to the supply and demand features of cinchona bark and its derivatives. In resolving the prevalent mass of misinformation, the committee felt that the disinclination of the Netherlands, the holders of a virtual world monopoly of the raw material, to sell the bark to American converters to process into quinine, presented no valid argument against lifting the import controls so as to permit the domestic industrial consumers to purchase and import, without hindrance, whatever quantities they can of the finished product from foreign sources willing and able to sell and deliver. Such practice, it was felt, would be consistent with the public welfare as a whole, and could lead only to increased supplies in this country, even though it may be detrimental to a few domestic converters with transparent motives who are unable to secure from abroad an adequate supply of high-grade cinchona bark from which to process the finished product. At the same time, little or no reason was found to continue the allocation powers over those stocks of the commodity now possessed or controlled by domestic companies, particularly in view of the sudden discovery by the Government representatives that they had a vastly larger official Government stock pile of quinine available in the United States than had at first been surmised. There was speculation that the demand for quinine was dwindling because

of the end of the active war and the availability of synthetic substitutes. With this picture before it, the committee felt justified in modifying the controls by removing entirely from control that cinchona bark or its derivatives now held or hereafter acquired by other than Government agencies, and by extending to January 31, 1948, the controls over the cinchona bark or its derivatives now held or hereafter acquired by the Government.

5. *Materials for export required to expand foreign production of materials critically needed in the United States.*—The benefits to be derived by this country from continuation of such controls for a limited period were so manifest as to be noncontroversial, and the committee found no objection to an extension to January 31, 1948. As an illustration, assuming newsprint to be a critically needed material in this country, then to control the export of saws to Canada for use in felling and processing trees into newsprint could serve only to advance our best interests and satisfy a domestic shortage.

6. *Fats and oils, etc.*—At the outset, the resumption of production abroad as well as the increasing volume of production of rice and rice products in this country offered convincing evidence that the need for further import controls had ended. Accordingly, control over rice products has been eliminated from the bill as reported. However, it was found that to end the import controls on fats and oils would lead to a calamitous situation in those war-ravaged nations now suffering from acute malnutrition and unsanitary conditions due to the lack of adequate supplies of fats and oils. As yet the foreign sources of fats and oils have not reached a point which would permit an uncontrolled diversion of these products to American manufacturers who, in an uncontrolled economy and open market, could and would outbid those foreign competitors whose purchases would, if made, presumably go to the direct relief of the war-stricken countries. As to the retention of export and import controls over nitrogenous fertilizer materials for a limited time, it is the considered judgment of the committee that this soil-enriching substance is essential in the rebuilding of the agrarian economies of the stricken countries, and will, more than anything else, eventually lead to their being self-sufficient in the production of food for their own needs. Thus a considerable burden now shouldered by the United States in feeding foreign populations would be gradually alleviated.

7. *Materials for export related to the foreign policy.*—Since our Government has committed itself to a definite foreign policy in the rehabilitation of foreign countries devastated by war, the committee felt compelled to implement that policy by extending the controls over such materials (with the noted exceptions) needed for that end, for the purpose of establishing priority in production and delivery for export, including also those materials necessary for the manufacture and delivery of the materials required for such export. However, the control in each instance would require a certification as to its necessity by the Secretary of State, plus the additional safeguard that such certification would be ineffective without the endorsement of the Secretary of Commerce that the control would not be harmful to the domestic economy of this Nation. The dual requirement embodies, the committee believes, a wholesome restraint and check upon a promiscuous use of the power unrelated to essentiality.

8. *Provision for earlier termination.*—Foreseeing the possibility of earlier arrival to normal supply of certain commodities subjected to extended control, the committee has, in its reported bill, empowered Congress, by concurrent resolution, to foreclose the extension prior to January 31, 1948, if circumstances indicate the wisdom of such action. Furthermore, of course, the President, acting independently of Congress, is empowered to terminate controls at any time prior to the date fixed.

The remaining provisions of the bill as reported are not controversial and meet with the approval of this committee.

CHANGES IN EXISTING LAW

In compliance with clause 2a of rule XIII of the House of Representatives changes in existing law are shown as follows (title III of the Second War Powers Act in which no specific changes have been made as such is set out in full for purposes of information, following which there is set out in parallel columns title XV, in which changes occur, and this title as it is proposed to be amended by the bill, H. R. 3647 as introduced):

TITLE III—PRIORITIES POWERS

SEC. 301. Subsection (a) of section 2 of the Act of June 28, 1940 (54 Stat. 676), entitled "An Act to expedite national defense, and for other purposes," as amended by the Act of May 31, 1941 (Public Law Numbered 89, Seventy-seventh Congress), is hereby amended to read as follows:

"SEC. 2. (a) (1) That whenever deemed by the President of the United States to be in the best interests of the national defense during the national emergency declared by the President on September 8, 1939, to exist, the Secretary of the Navy is hereby authorized to negotiate contracts for the acquisition, construction, repair, or alteration of complete naval vessels or aircraft, or any portion thereof, including plans, spare parts, and equipment therefor, that have been or may be authorized, and also for machine tools and other similar equipment, with or without advertising or competitive bidding upon determination that the price is fair and reasonable. Deliveries of material under all orders placed pursuant to the authority of this paragraph and all other naval contracts or orders and deliveries of material under all Army contracts or orders shall, in the discretion of the President, take priority over all deliveries for private account or for export: *Provided*, That the Secretary of the Navy shall report every three months to the Congress the contracts entered into under the authority of this paragraph: *Provided further*, That contracts negotiated pursuant to the provisions of this paragraph shall not be deemed to be contracts for the purchase of such materials, supplies, articles, or equipment as may usually be bought in the open market within the meaning of section 9 of the Act entitled 'An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes,' approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45): *Provided further*, That nothing herein contained shall relieve a bidder or contractor of the obligation to furnish the bonds under the requirements of the Act of August 24, 1935 (49 Stat. 793; 40 U. S. C. 270 (a) to (d)): *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under the authority granted by this paragraph to negotiate contracts; but this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of the Navy: *And provided further*, That the fixed fee to be paid the contractor as a result of any contract entered into under the authority of this paragraph, or any War Department contract entered into in the form of cost-plus-a-fixed-fee, shall not exceed 7 per centum of the estimated cost of the contract (exclusive of the fee as determined by the Secretary of the Navy or the Secretary of War, as the case may be).

"(2) Deliveries of material to which priority may be assigned pursuant to paragraph (1) shall include, in addition to deliveries of material under contracts or orders of the Army or Navy, deliveries of material under—

"(A) Contracts or orders for the government of any country whose defense the President deems vital to the defense of the United States under the terms of the Act of March 11, 1941, entitled 'An Act to promote the defense of the United States';

"(B) Contracts or orders which the President shall deem necessary or appropriate to promote the defense of the United States;

"(C) Subcontracts or suborders which the President shall deem necessary or appropriate to the fulfillment of any contract or order as specified in this subsection (a).

Deliveries under any contract or order specified in this subsection (a) may be assigned priority over deliveries under any other contract or order; and the President may require acceptance of and performance under such contracts or orders in preference to other contracts or orders for the purpose of assuring such priority. Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material or of any facilities for defense or for private account or for export, the President may allocate such material or facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense.

"(3) The President shall be entitled to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of, any person (which for the purpose of this subsection (a), shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not), and make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration or the provisions of this subsection (a).

"(4) For the purpose of obtaining any information, verifying any report required, or making any investigation pursuant to paragraph (3), the President may administer oaths and affirmations, and may require by subpoena or otherwise the attendance and testimony of witnesses and the production of any books or records or any other documentary or physical evidence which may be relevant to the inquiry. Such attendance and testimony of witnesses and the production of such books, records, or other documentary or physical evidence may be required at any designated place from any State, Territory, or other place subject to the jurisdiction of the United States: *Provided*, That the production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person resides or transacts business, if prior to the return date specified in the subpoena issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. No person shall be excused from attending and testifying or from producing any books, records, or other documentary evidence or certified copies thereof or physical evidence in obedience to any such subpoena, or in any action or proceeding which may be instituted under this subsection (a), on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be subject to prosecution and punishment or to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that any such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. The President shall not publish or disclose any information obtained under this paragraph which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless the President determines that the withholding thereof is contrary to the interest of the national defense and security; and anyone violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000 or be imprisoned not exceeding two years, or both.

"(5) Any person who willfully performs any act prohibited, or willfully fails to perform any act required by, any provision of this subsection (a) or any rule, regulation, or order thereunder, whether heretofore or hereafter issued, shall be guilty of a misdemeanor, and shall, upon conviction be fined not more than \$10,000 or imprisoned for not more than one year, or both.

"(6) The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States and the courts of the Philippine Islands shall have jurisdiction of violations of this subsection (a) or any rule, regulation, or order or subpoena thereunder, whether heretofore or hereafter issued, and of all civil actions under this subsection (a) to enforce any liability or duty created by, or to enjoin any violation of, this subsection (a) or any rule, regulation, order, or subpoena thereunder whether heretofore or hereafter issued. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; and subpoena for witnesses who are required to attend a court in any district in any such case may run into any other district. No costs shall be assessed against the United States in any proceeding under this subsection (a).

"(7) No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from compliance with this subsection (a) or any rule, regulation, or order issued thereunder, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid.

"(8) The President may exercise any power, authority, or discretion conferred on him by this subsection (a), through such department, agency, or officer of the Government as he may direct and in conformity with any rules or regulations which he may prescribe.

"(9) The district courts of the United States are hereby given exclusive jurisdiction to enjoin or set aside, in whole or in part, any order suspending any priority or allocation, or denying a stay of any such suspension, that may have been issued by any person, officer, or agency, acting or purporting to act hereunder or, under any other law or authority.

"Any action to enjoin or set aside any such order shall be brought within five days after the service thereof.

"No suspension order shall take effect within five days after it has been served, or, if an application for a stay is made to the issuing authority within such five-day period, until the expiration of five days after service of an order denying the stay.

"The venue of any such suit shall be in the district court of the United States for the district in which the petitioner has his principal place of business; and the respondent shall be subject to the jurisdiction of such court after ten days before the return day of the writ, either when (1) process shall have been served on any district manager or other agent of the respondent of similar or superior status; or (2) notice by registered mail shall have been given to respondent, or to the office of the Attorney General of the United States."

TITLE XV

EXISTING LAW

"SEC. 1501. Except as otherwise provided by statute enacted during the first session of the Eightieth Congress on or before the date this section as amended takes effect, titles I, II, III, IV, V, VII, and XIV of this Act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947, except that such title III, and the amendments to existing law made by such title, shall remain in force until June 30, 1947, for the following purposes: (a) Allocations of cinchona bark and cinchona alkaloids, manila (abaca) fiber and cordage, agave fiber and cordage, tin and tin products, antimony and streptomycin; (b) allocations limited to control of production for export of

PROPOSED LAW

"SEC. 1501. (a) Except as otherwise provided by statute enacted during the first session of the Eightieth Congress and except as otherwise provided by subsection (b) of this section, titles I, II, III, IV, V, VII, and XIV of this Act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947. After the amendments made by any such title cease to be in force, any provisions of law amended thereby (except subsection (a) of section 2 of the Act entitled 'An Act to expedite national defense, and for other purposes', approved June 28, 1940, as amended by the Act of May 31, 1941) shall be in full force and effect as though this Act had not been enacted.

"(b) Title III of this Act and the

EXISTING LAW

tractors; (c) allocations of the use of transportation equipment and facilities by rail carriers; (d) allocations of materials or facilities for export which are required to expand the production in foreign countries of materials critically needed in the United States; (e) allocations of materials or facilities which are certified by the Secretaries of State and Commerce as necessary to meet international commitments: *Provided*, That any materials or facilities which were not being allocated on March 24, 1947, shall not be allocated hereafter under the provisions of such title III: *Provided further*, That the two Houses of Congress by concurrent resolution or the President may designate an earlier time for the termination of any power of allocation under such title: *Provided further*, That nothing herein contained shall be construed to continue beyond March 31, 1947, any authority to allocate sugar, rubber, or the derivatives thereof. After the amendments made by any such title cease to be in force, any provisions of law amended thereby (except subsection (a) of section 2 of the Act entitled 'An Act to expedite national defense, and for other purposes', approved June 28, 1940, as amended by the Act of May 31, 1941) shall be in full force and effect as though this Act had not been enacted."

PROPOSED LAW

amendments to existing law made by such title shall remain in force only until June 30, 1948, for the exercise of the powers, authority, and discretion thereby conferred on the President, but limited to the following materials, and to facilities suitable for the manufacture of such materials:

"(1) Tin and tin products;

"(2) Manila (abaca) fiber and cordage, and agave fiber and cordage;

"(3) Antimony;

"(4) Cinchona bark, quinine, and quinidine;

"(5) Such materials for export which are required to expand or maintain the production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and such materials which are necessary for manufacture and delivery of the materials required for such export;

"(6) Fats and oils (including oil-bearing materials, fatty acids, butter, soap, and soap powder, but excluding petroleum and petroleum products) and rice and rice products, for the purpose of exercising import control, and nitrogenous fertilizer materials for the purposes of exercising import control and of establishing priority in production and delivery for export;

"(7) Materials (except foods and food products and fertilizer materials) required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to successful carrying out of the foreign policy of the United States, for the purpose of establishing priority in production and delivery for export, and such materials as may be necessary for the manufacture and delivery of the materials required for such export:

Provided, That, notwithstanding the extension to June 30, 1948, made by this subsection, the two-Houses of Congress by concurrent resolution or the President may designate an earlier time for the termination of any power, authority, or discretion under such title III: *Provided further*, That nothing in this subsection (b) shall be construed to continue beyond March 31, 1947, any authority under paragraph (1) of subsection (a) of section 2 of the Act entitled 'An Act to expedite national defense and

EXISTING LAW

PROPOSED LAW

for other purposes', approved June 28, 1940, as amended, to negotiate contracts with or without advertising or competitive bidding: *Provided further*, That nothing contained herein shall affect the authority conferred by Public Law 24, Eightieth Congress, approved March 29, 1947, or the Sugar Control Extension Act of 1947.

"(c) The functions exercised under title III of this Act and the amendments to existing law made by such title, shall be excluded from the operation of the Administrative Procedure Act, except as to the requirements of section 3 of that Act."

COMMITTEE AMENDMENT

"SEC. 1501. (a) Except as otherwise provided by statute enacted during the first session of the Eightieth Congress and except as otherwise provided by subsection (b) of this section, titles I, II, III, IV, V, VII, and XIV of this Act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947. After the amendments made by any such title cease to be in force, any provisions of law amended thereby (except subsection (a) of section 2 of the Act entitled 'An Act to expedite national defense, and for other purposes', approved June 28, 1940, as amended by the Act of May 31, 1941) shall be in full force and effect as though this Act had not been enacted.

"(b) Title III of this Act and the amendments to existing law made by such title shall remain in force only until January 31, 1948, for the exercise of the powers, authority, and discretion thereby conferred on the President, but limited to the following materials, and to facilities suitable for the manufacture of such materials:

"(1) Tin and tin products, except for the purpose of exercising import control of tin ores and tin concentrates;

"(2) Antimony;

"(3) Cinchona bark, quinine, and quinidine: *Provided*, That controls shall not apply to any of said materials now held or hereafter acquired by other than Government agencies;

"(4) Such materials for export which are required to expand or maintain the production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and such materials which are necessary for manufacture and delivery of the materials required for such export;

"(5) Fats and oils (including oil-bearing materials, fatty acids, butter, soap, and soap powder, but excluding petroleum and petroleum products) for the purpose of exercising import control, and nitrogenous fertilizer materials for the purposes of exercising import control and of establishing priority in production and delivery for export;

"(6) Materials (except foods and food products, rice and rice products, manila (abaca) fiber and cordage, and agave fiber and cordage, and fertilizer materials) required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to successful carrying out of the foreign policy of the United States, for the purpose of establishing priority in production and delivery for export, and such materials as may be necessary for the manufacture and delivery of the materials required for such export: *Provided*, That no such certification by the Secretary of State shall be effective unless and until the Secretary of Commerce shall certify that the proposed action will not be detrimental to the domestic economy of the United States;

Provided further, That, notwithstanding the extension to January 31, 1948, made by this subsection, the two Houses of Congress by concurrent resolution or the President may designate an earlier time for the termination of any power, authority, or discretion under such title III: *Provided further*, That nothing in this sub-

section (b) shall be construed to continue beyond March 31, 1947, any authority under paragraph (1) of subsection (a) of section 2 of the Act entitled 'An Act to expedite national defense, and for other purposes', approved June 28, 1940, as amended, to negotiate contracts with or without advertising or competitive bidding: *Provided further*, That nothing contained herein shall affect the authority conferred by Public Law 24, Eightieth Congress, approved March 29, 1947, or the Sugar Control Extension Act of 1947.

"(c) The functions exercised under title III of this Act and the amendments to existing law made by such title, shall be excluded from the operation of the Administrative Procedure Act, except as to the requirements of section 3 of that Act."



80TH CONGRESS
1ST SESSION

H. R. 3647

[Report No. 688]

IN THE HOUSE OF REPRESENTATIVES

MAY 28, 1947

Mr. MICHENER (by request) introduced the following bill; which was referred to the Committee on the Judiciary

JUNE 24, 1947

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To extend certain powers of the President under title III of the Second War Powers Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 FINDINGS OF FACT AND DECLARATION OF POLICY

4 SECTION 1. (a) Certain materials and facilities con-
5 tinue in short supply at home and abroad as a result of the
6 war. The continued exercise of certain limited emergency
7 powers is required to complete the orderly reconversion of
8 the domestic economy from a wartime to a peacetime basis,
9 to protect the health, safety, and welfare of the American

1 people, and to support the foreign policy of the United
2 States.

3 (b) It is the general policy of the United States to con-
4 tinue emergency wartime controls of materials only to the
5 minimum extent necessary (1) to protect the domestic
6 economy from the injury which would result from adverse
7 distribution of materials which continue in short world sup-
8 ply; (2) to promote production in the United States by
9 assisting in the expansion and maintenance of production
10 in foreign countries of materials critically needed in the
11 United States; and (3) to aid in carrying out the foreign
12 policy of the United States.

13 TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

14 SEC. 2. To effectuate the policies set forth in section 1
15 hereof, title XV, section 1501, of the Second War Powers
16 Act, 1942, approved March 27, 1942, as amended, is
17 amended to read as follows:

18 "SEC. 1501. (a) Except as otherwise provided by stat-
19 ute enacted during the first session of the Eightieth Congress
20 and except as otherwise provided by subsection (b) of this
21 section, titles I, II, III, IV, V, VII, and XIV of this Act
22 and the amendments to existing law made by such titles shall
23 remain in force only until March 31, 1947. After the amend-
24 ments made by any such title cease to be in force, any pro-
25 visions of law amended thereby (except subsection (a) of

1 section 2 of the Act entitled 'An Act to expedite national
2 defense, and for other purposes', approved June 28, 1940,
3 as amended by the Act of May 31, 1941) shall be in full
4 force and effect as though this Act had not been enacted.

5 " (b) Title III of this Act and the amendments to exist-
6 ing law made by such title shall remain in force only until
7 ~~June 30~~ *January 31*, 1948, for the exercise of the powers,
8 authority, and discretion thereby conferred on the President,
9 but limited to the following materials, and to facilities suitable
10 for the manufacture of such materials:

11 " (1) Tin and tin products, *except for the purpose*
12 *of exercising import control of tin ores and tin*
13 *concentrates;*

14 "~~(2)~~ Manila ~~(abaca)~~ fiber and cordage, and agave
15 fiber and cordage;

16 "~~(3)~~ (2) Antimony;

17 "~~(4)~~ (3) Cinchona bark, quinine, and quinidine:

18 *Provided, That controls shall not apply to any of said*
19 *materials now held or hereafter acquired by other than*
20 *Government agencies;*

21 "~~(5)~~ (4) Such materials for export which are re-
22 quired to expand or maintain the production in foreign
23 countries of materials critically needed in the United
24 States, for the purpose of establishing priority in produc-
25 tion and delivery for export, and such materials which

1 are necessary for manufacture and delivery of the
2 materials required for such export;

3 “~~(6)~~ (5) Fats and oils (including oil-bearing ma-
4 terials, fatty acids, butter, soap, and soap powder, but
5 excluding petroleum and petroleum products) ~~and rice~~
6 ~~and rice products~~, for the purpose of exercising import
7 control, and nitrogenous fertilizer materials for the pur-
8 poses of exercising import control and of establishing
9 priority in production and delivery for export;

10 “~~(7)~~ (6) Materials (except food and food products,
11 *rice and rice products, manila (abaca) fiber and cordage,*
12 *and agave fiber and cordage,* and fertilizer materials)
13 required for export, but only upon certification by the
14 Secretary of State that the prompt export of such ma-
15 terials is of high public importance and essential to
16 successful carrying out of the foreign policy of the United
17 States, for the purpose of establishing priority in pro-
18 duction and delivery for export, and such materials as
19 may be necessary for the manufacture and delivery of
20 the materials required for such export: *Provided, That*
21 *no such certification by the Secretary of State shall be*
22 *effective unless and until the Secretary of Commerce shall*
23 *certify that the proposed action will not be detrimental*
24 *to the domestic economy of the United States;*

25 *Provided further, That, notwithstanding the extension to*

1 ~~June 30~~ *January 31*, 1948, made by this subsection, the
2 two Houses of Congress by concurrent resolution or the
3 President may designate an earlier time for the termination
4 of any power, authority or discretion under such title III:
5 *Provided further*, That nothing in this subsection (b) shall
6 be construed to continue beyond March 31, 1947, any au-
7 thority under paragraph (1) of subsection (a) of section 2
8 of the Act entitled 'An Act to expedite national defense and
9 for other purposes', approved June 28, 1940, as amended,
10 to negotiate contracts with or without advertising or competi-
11 tive bidding: *Provided further*, That nothing contained
12 herein shall affect the authority conferred by Public Law 24,
13 Eightieth Congress, approved March 29, 1947, or the Sugar
14 Control Extension Act of 1947.

15 “(c) The functions exercised under title III of this
16 Act and the amendments to existing law made by such title,
17 shall be excluded from the operation of the Administrative
18 Procedure Act, except as to the requirements of section 3
19 of that Act.”

80TH CONGRESS
1ST SESSION

H. R. 3647

[Report No. 688]

A BILL

To extend certain powers of the President under
title III of the Second War Powers Act.

By Mr. MICHENER

MAY 28, 1947

Referred to the Committee on the Judiciary

JUNE 24, 1947

Reported with amendments, committed to the Com-
mittee of the Whole House on the State of the
Union, and ordered to be printed

(5) explains that the Committee reduced Legislative Reference Service to \$300,000 (Budget estimate, \$650,000; 1947 appropriation, \$475,000) on the basis that the committee staffs would be increased, that many of the committees are not utilizing the LRS specialists to any great extent, and that the House Coordinator of Information is in the same general field of work; (6) states that the Library of Congress project for storing and distributing Government motion-picture films "will cost an amount of money out of all proportion to its value" and raised a question as to whether the Library was the appropriate agency for this function in any event; (7) partially explained a \$10,000,000 cut in GPO's working fund by stating that "there is some difficulty in securing prompt payment by departments and agencies," that the Committee "sees no valid reason why departments and agencies should not pay their printing bills within 30 days," and that GPO "could undoubtedly shorten the collection period by the simple expedient of refusing to accept requisitions for printing unless the department or agency concerned pays its bills promptly"; and (8) questioned the advisability of spending Federal funds for the Library of Congress' current legislative reference service on State legislation.

HOUSE

17. C.C.C. CONTINUATION. The Banking and Currency Committee reported without amendment S. 350, to continue CCC as a U.S. agency until June 30, 1948 (H.Rept. 719) (p. 7929).
18. EXPORT CONTROLS. The Rules Committee reported a resolution for the consideration of H.R. 3049, to continue the Export Control Act and direct the President to ascertain on or before Dec. 31, 1947, whether export controls should or should not be continued, such determination to be certified to Congress; to provide that upon the President's determination to discontinue, such controls should terminate within 15 days from the date of determination, except as to offences committed or rights or liabilities incurred; and to provide that in no event should controls extend beyond June 30, 1948 (p. 7929).
19. WAR POWERS; TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment H.R. 3152, to extend to June 30, 1948, title III of the Second War Powers Act relating to the allocation of transportation equipment (H.Rept. 710) (pp. 7883, 7929).
20. SOCIAL SECURITY; FARM LABOR. The Ways and Means Committee reported without amendment S. 1072, to extend until July 1, 1949, the period during which income from agricultural labor may be disregarded by States in making old-age assistance payments without prejudicing their rights to grants-in-aid under the Social Security Act (H.Rept. 713) (p. 7929).
21. COMMUNICATIONS. The Interstate and Foreign Commerce Committee reported without amendment S. 816, to repeal the mandatory special rate for Government telegrams; authorize the Federal Communications Commission under the Communications Act of 1934, to prescribe charges, classifications, regulations and practices, including priorities, applicable to Government telegrams; the effective date being the 10th day following the date of enactment (H.Rept. 715) (p. 7929).
22. RECONSTRUCTION FINANCE CORPORATION. Received the conference report on S.J.Res. 135, to continue RFC (pp. 7915-8). The conferees adopted the 1-year extension, as provided in the Senate version, but retained in general the House provisions extending only certain lending powers and functions of RFC. The House Version contained several provisions regarding FCA; and conference report (as explained by the House conferees), "in lieu of repealing those provisions of law in their entirety, modifies them to eliminate their application to the

Reconstruction Finance Corporation but to retain their application to the Farm Credit Administration."

23. WAR POWERS. Passed with amendment H.R. 3647, to extend certain powers under Title III of the Second War Powers Act (including priorities, allocations, and certain export controls (pp. 7889-901). During the debate there was considerable discussion on the need for the export controls provided for in this bill and, in addition, the continuation of the Export Control Act as provided for in H.R. 3049. Rep. Murray, Wis., offered and withdrew an amendment to authorize import and export control for wheat, flour, corn, oats, and barley (pp. 7900-1). Reps. Springer (Ind.) and Michener (Mich.) discussed Mr. Dodd's testimony before the Judiciary Committee in regard to the continuation of controls on fibre and cordage (pp. 7890-1).
24. EXECUTIVE ORGANIZATION. Passed without amendment H.R. 775, to establish a Commission on Organization of the Executive Branch of the Government (pp. 7918-21).
25. ALASKA SETTLEMENT. The "Daily Digest" states that a subcommittee of the Public Lands Committee ordered* reported H.R. 868, to provide for homesteading in Alaska by veterans (p. D446).
*Copies of the bill and report will not be available until the bill is actually reported, when this Digest will include a statement to that effect.
26. LANDS. The Agriculture Committee ordered* reported H.R. 2511, to authorize the Department to quitclaim 2 acres of land near Muirkirk, Md., to the Queens Chapel Methodist Church (p. D445).
*Copies of the bill and report will not be available until the bill is actually reported, when this Digest will include a statement to that effect.
27. FOREIGN RELIEF; FOOD PURCHASES. Rep. Harrison, Va., criticized USDA's policy on the purchase of food for foreign relief, referring particularly to surplus canned poultry and other canned goods, stating, "I was not able to interest Government authorities in the purchase of any of this surplus for foreign relief" (pp. 7886-7).
28. TREASURY-POST OFFICE APPROPRIATION BILL, 1948. Received the conference report on this bill, H.R. 2436 (pp. 7921-2).
29. FOREIGN AFFAIRS. Passed with amendments S. J. Res. 77, providing for membership and participation by the U.S. in the International Refugee Organization and authorizing an appropriation therefor (pp. 7901-15). As passed the measure contains the language of the House measure, H.J. Res. 207 (pp. 7915-5).
30. RECLAMATION. Rep. Phillips, Calif., discussed the appropriations for reclamation projects, stating that he hoped the House "would help the conferees work out a final appropriation bill for the Department of the Interior which will permit the economy of the West to be developed" (pp. 7923-8).
31. RUBBER. Rep. Crawford, Mich., spoke in favor of retaining the synthetic rubber industry (p. 7886).
32. WOOL. During the debate on H.J. Res. 207, Rep. Kersten, Wis., criticized the President's veto of S. 814, the wool price-support bill (pp. 7912-3).

BILLS INTRODUCED

33. FLOOD CONTROL; SURPLUS PROPERTY. S. 1515, by Sen. Aiken, Vt. (for himself and others), to make surplus property available for the alleviation of damage

Let me show you what that means. I have a photograph on my wall of a 14,000-ton barge coming down the Ohio River from Pittsburgh, Pa. That barge returning from Mobile, Ala., to Paducah, Ky., would save more than \$22,000 worth of gasoline. Returning to Cairo, Ill., it would save more than \$20,000. I have a photograph of a barge coming down from Michigan loaded with automobiles. That barge returning from Mobile to Cairo, Ill., by this short water route would save more than \$20,000 in fuel alone at the present price. So if you want to save gasoline vote for my amendment next week to begin construction immediately on the Tennessee-Tombigbee inland waterway.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING REPORT FROM THE NATIONAL ADVISORY COUNCIL (H. DOC. NO. 365)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

On March 8, 1946, I sent to the Congress a report of the National Advisory Council on International Monetary and Financial Problems describing the operations of the Council during the preceding 6 months in coordinating the foreign financial activities of the Government. On January 13, 1947, I sent to the Congress a National Advisory Council Report on Participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development to October 31, 1946.

I have now received from the National Advisory Council a report covering its operations from February 28, 1946, to March 31, 1947, and describing, in accordance with section 4 (b) (5) of the Bretton Woods Agreements Act, the participation of the United States in the International Monetary Fund and the International Bank from October 31, 1946, to March 31, 1947.

The report is attached hereto.

HARRY S. TRUMAN.

THE WHITE HOUSE, June 26, 1947.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. ELSTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Cincinnati Enquirer.

PERMISSION TO ADDRESS THE HOUSE

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

WELCOME TO GENERAL EISENHOWER AS PRESIDENT OF COLUMBIA UNIVERSITY

Mr. JAVITS. Mr. Speaker, I rise today to welcome to the Twenty-first Congressional District of New York General of the Army Dwight D. Eisenhower who has accepted the presidency of Columbia University, which is in the district I have the honor to represent.

The people of the district are very happy over this appointment. They consider it a great honor and privilege that the victor in the Battle of Europe should come into our district to head one of the greatest institutions of learning in the world. We will try to make him comfortable in the twenty-first, and we will try to make him very happy. The general's view of the Hudson River and the Palisades which is truly magnificent as seen from our district will, we believe, make him feel that New York can be very beautiful, homelike, and a real rest from the labors of war while he undertakes the arts of peace.

Mr. Speaker, I ask unanimous consent to extend my remarks and to include an editorial from the New York Herald Tribune of June 25, entitled "Columbia's New President."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The editorial referred to follows:

COLUMBIA'S NEW PRESIDENT

The gain for this community in having General Eisenhower as one of its citizens, standing in a position of eminence and influence, is so great that one is tempted to ignore any issue of special fitness for his new responsibilities. He has demonstrated the highest talents as a leader of men. His sure sense of executive direction was felt hour by hour in the most critical days of the late war. His rank as first citizen needs neither citations nor medals to affirm it.

It is therefore in a spirit of warm appreciation that New Yorkers will cheer the general's decision to accept the presidency of Columbia University. In every activity whereby that great institution can influence the culture and welfare of the city there will be complete confidence in the general's understanding and good sense. Similarly, in all the manifold contacts which the head of Columbia inescapably has with the life of the town, there will be the finest example of patriotism and the truest words of courage. The gains that are certain to accrue to the city are very great, indeed.

The task which confronted the trustees of Columbia was obviously a difficult one. The very eminence of Dr. Butler through so many years made the search for his successor an uphill undertaking. Fortunately for the well-being of the university as a seat of learning, it possessed in Dr. Fackenthal an able and accomplished aide who has bridged the gap with distinction and upon whom General Eisenhower can lean with every confidence. It is good to know that the trustees understand the importance of Dr. Fackenthal's services.

There will inevitably be regrets that the trustees were unable to find a scholar of the first rank qualified for the post. Plainly, in turning to General Eisenhower, they elected to subordinate the question of learning, of the skills in education, to the more practical issues of administration and, in a broad sense,

leadership. It can be argued that the present era of confusion calls for just the stalwart virtues which the general exemplifies in excelsis. No doubt such considerations weighed heavily in the minds of the trustees. The regrets will remain.

These are, however, problems domestic to Columbia. A powerful hand is undoubtedly needed in this old institution, full of entrenchments and rivalries. There can be no question of the strength of General Ike. It will be interesting to all the experts to watch his assumption of an educational high command. Whatever the problems raised on Morningside Heights, the gain to the community by his presence is certain and beyond price. He will have the finest of the city's welcomes when he arrives next year.

EXTENDING CERTAIN POWERS OF THE PRESIDENT UNDER TITLE 3 OF THE SECOND WAR POWERS ACT

Mr. MICHENER. Mr. Speaker, pursuant to the unanimous consent secured on yesterday by the leadership I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3647, to extend certain powers of the President under title 3 of the Second War Powers Act.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3647, extending certain powers of the President under title 3 of the Second War Powers Act, with Mr. COLE of Missouri in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MICHENER. Mr. Chairman, under unanimous consent granted yesterday there is 1 hour for general debate, 30 minutes of that time to be controlled by this side and 30 minutes by the other side, if it is so desired. The bill will then be read for amendment under the 5-minute rule. Any germane amendments will be in order at that time.

We want to expedite consideration of this bill as much as possible for the reason that these war powers cease on Monday next, the 30th of June; therefore it is essential, if there is to be any extension at all, that we act at once. I am informed the Senate is taking this matter up today. It is hoped that the two bills, the House and Senate bills, will be in a position where they can go to informal conference this evening, so that we may pass some type of legislation promptly.

I may say further that this bill has been handled by Subcommittee No. 4 of the Committee on the Judiciary. Extensive hearings have been held over a period of weeks and months. The last bill was introduced on May 28 and has the approval of all of the agencies of Government asking for continuation of these powers. It has the unanimous approval of the Committee on the Judiciary.

I do not expect to take all of the time unless the House wants to discuss the matter further.

I now yield such time as he may desire to the gentleman from Indiana [Mr.

SPRINGER], chairman of the subcommittee that conducted all of the hearings and who is familiar with the bill in every detail. He has done a laborious and a grand job. He is entitled to the thanks of the House and the country.

Mr. SPRINGER. Mr. Chairman, as will be recalled, in March we presented a measure for the extension of the Second War Powers Act and by approval of the committee and by the House this act was extended until June 30, 1947, which is next Monday, when all of these powers will be eliminated unless action is taken promptly. The distinguished chairman of the Judiciary Committee, the gentleman from Michigan [Mr. MICHENER], has stated that fact, and that is the reason we are hurried in order to get some action, if any action is necessary. I presume all of the Members have read the bill which is now before the committee.

Mr. Chairman, starting with the different articles which are embraced in the bill and upon which, and over which, some control is continued, I will start at that point and will go through these various sections of the bill. If anyone has any questions they desire to ask as we go through these various sections I will be very happy to answer the questions if I can.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I would like to ask the gentleman a question or two about the elimination on page 3 of manila or abaca fiber and cordage and agave fiber cordage. I have read the report and on page 3 there is a statement that while the representatives of the Department of Commerce wish to continue the control over this very strategic material, and it is a very short material, in short supply, many of the manufacturers do not wish to continue control. I have in my own district one of the largest manufacturers of cordage and manila rope in America, or in the world, for that matter, and they have written me urging the continuance of these controls. I would like to have the gentleman explain, if possible, just what the testimony was before the committee, because I am unable to get a printed copy of the hearings.

Mr. SPRINGER. I am very happy that the gentleman asks that question, and if he will wait until I explain the first subdivision, which relates to tin and tin products, which immediately precedes that to which he refers, then I will give him the testimony and what the hearings disclose on the question of fiber and cordage.

Under No. 1, tin and tin products were in the bill which was extended to June 30. We had very extensive hearings on that question. After we had completed the hearings, may I say to the members of the committee, the heads of the departments interested, and those interested in the production of tin and the handling of that particular commodity met and agreed that tin and tin products should be continued in this extension, and they wrote the amend-

ment which is now included in italics in the bill. The provision with reference to tin and tin products reads as follows:

Tin and tin products, except for the purpose of exercising import control of tin ores and tin concentrates—

That is the amendment that was universally agreed upon by the processors and producers and by the department heads in our own Government.

If there are no other questions on that matter, we will go to the next section, which is No. 2, and which relates to hard fibers. May I say to the distinguished gentleman from Ohio that we heard quite a lot of testimony on this question of fibers and cordage. Mr. Dobbs, from the Department of Agriculture testified at great length on that question.

The evidence disclosed this, that the present production of fiber, binder twine, baler twine and cordage has been practically completed; that is, as you know, produced during the winter months preparatory to the harvest and baling season during the summer. The evidence disclosed that the binder twine and the baler twine which is to be used during the present harvest season and the present year has already been produced, and that if hard fibers and cordage was continued under control it could and would relate only to the production of this commodity this coming winter for use next summer in the harvesting and baling season. For that particular reason the subcommittee came to the unanimous conclusion that it was unnecessary to continue that control with respect to that particular item.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield, I am informed that there is now a world shortage of these fibers, and that that shortage will continue for at least 5 years, and that in order to protect the proper production of the twine and rope that is manufactured in this country, and which is very necessary to industry as well as to agriculture, that these controls should be continued so that it would be beneficial. I wonder what the testimony from the witnesses has been on that subject?

Mr. SPRINGER. The testimony, answering that part of the question submitted, which was presented to the subcommittee indicated that there was no present shortage. There is ample baler twine and binder twine and cordage at the moment.

Mr. BROWN of Ohio. May I ask one other question and I will conclude? I understand that the bill in the other body does contain and carry this particular item.

Mr. SPRINGER. I think perhaps the gentleman is correct in that respect. The Senate bill contains that particular provision, I have been advised.

Mr. BROWN of Ohio. If the Senate, which is acting today, as I am advised, should enact a bill with this clause in the measure, the matter would go to conference, and the Committee of Conference would have another opportunity, that is, the Members of the House and the Senate on that committee, at least, to give further consideration to the ques-

tion as to whether or not this fiber should be included.

Mr. SPRINGER. The gentleman is entirely correct. That would be the procedure which would be followed.

Mr. BROWN of Ohio. And if the gentleman is on that committee, may I express the hope that they will review their action on this matter and give it full attention and every consideration.

Mr. DEVITT. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Minnesota, a member of the committee.

Mr. DEVITT. May I ask the gentleman this question? Is it not true that the evidence disclosed that an agent for a trade association of cordage manufacturers appeared before the committee, and he said that he represented all of the cordage people in the country with the exception of a factory in Ohio—the Hoeven Co.? When he spoke for all of the industry in this country, with this one exception, he gave as the opinion of the industry that there was going to be an ample supply of this hard fiber, and he recommended to the committee that the controls be taken off.

Mr. SPRINGER. The gentleman is entirely correct. In addition to his testimony, we had the testimony of the departments of Government. While they made no recommendation, they indicated that there is an ample supply for this particular season. They also admitted that the twine for harvesting and for baling purposes has already been produced and is now available for use.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. SPRINGER. I yield to my very good friend.

Mr. BROWN of Ohio. I presume that if this bill goes to conference and that item is one of the matters of difference between the House and the Senate full consideration will be given to any testimony the Senate may have taken as well as any testimony the House has taken?

Mr. SPRINGER. The gentleman is entirely correct. If and when this bill goes to conference, everything will be taken into consideration by the conferees, and a fair and equitable determination of the question will be made.

Mr. BROWN of Ohio. I have full confidence in the makeup of the subcommittee.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Nebraska.

Mr. STEFAN. Did the representatives of the cordage industry appear before you in connection with manila, abaca, and rope, and were they not unanimous as to terminating these controls on manila fiber?

Mr. SPRINGER. They were unanimous in their opinion upon that question.

Mr. STEFAN. The committee was also unanimous as to the termination of controls on manila fiber?

Mr. SPRINGER. The committee was unanimous and made a unanimous report terminating the controls on the fiber and cordage.

Mr. STEFAN. Is the gentleman familiar with the Senate bill on that subject? Is that also carried out in the Senate bill?

Mr. SPRINGER. As I recall, it is in the exact language provided in subparagraph (2) on page 3 of the bill now before this committee, except in the Senate measure hard fiber and cordage is retained—while in the House measure it was stricken.

Mr. STEFAN. So there is unanimity as far as the elimination of controls on cordage and fiber is concerned?

Mr. SPRINGER. With that exception, it is.

Mr. STEFAN. That is on the part of the House and also on the part of the Senate?

Mr. SPRINGER. With the variance I have indicated, you are correct.

Mr. STEFAN. The Senate bill is the same as you have it in your bill?

Mr. SPRINGER. It is stricken from our bill, and the Senate bill contains it.

Mr. MICHENER. As a matter of fact, the Senate bill, which it is taking up today, contains the controls on this particular item, and this bill eliminates them.

Mr. SPRINGER. That is entirely correct, may I say to my distinguished chairman.

Mr. MICHENER. Is it not a fact that Mr. Dodd, of the Department of Agriculture, appeared because he was asked to appear in connection with this matter, when the bill was up in March, and then he appeared again just recently. On this occasion he said he did not see the necessity for the continuance, but it was a matter of policy for the Congress to determine and he did not want to recommend a matter of policy.

Mr. SPRINGER. The gentleman from Michigan is entirely correct. That was the statement of Mr. Dodd, who testified before the subcommittee who heard the evidence on this question.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Michigan.

Mr. SHAFER. I have been assured by the gentleman and the chairman of the Committee on the Judiciary that under this bill the Export Control Act, which operates under the Defense Act of July 2, 1940, is fully protected, and that the controls under that act will be extended under your bill.

Mr. SPRINGER. Yes. May I ask the gentleman if he will defer that question for a few moments until I reach that section of the bill. Then I will explain it, and if the gentleman has any questions at that time I shall be glad to answer them.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. It seems to me we face this practical situation, that at the moment there is no shortage of these fibers and cordage. That is number one. That is very fundamental. Second, the Philippines in particular, where the fine quality is produced, are now coming back into production to supply the world with its requirements.

Mr. SPRINGER. That is right. The evidence disclosed that fact to us at the hearing before the subcommittee.

Mr. CRAWFORD. We have here the Government agencies saying there is no longer any necessity for Government controls and the Government's interfering with business operations. It seems to me the only conclusion we can come to is to strike out the language in lines 14 and 15 which the committee has struck out. I think the committee acted wisely in that respect.

Mr. SPRINGER. May I say to the gentleman from Michigan that at the very outset of the hearings the statement was made by the chairman of the full Committee on the Judiciary and by myself as chairman of Subcommittee No. 4 that unless these departments showed by a preponderance of the evidence that the controls were absolutely necessary to be continued they were going to be discontinued and decontrolled.

Mr. CRAWFORD. Our party is on record with the public of this country that we will remove these controls when they are no longer necessary.

Mr. SPRINGER. The gentleman is entirely correct.

Mr. ROBSION. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Kentucky.

Mr. ROBSION. As I understand the committee report and the testimony I heard on the subject, this is the season of the year when there is the greatest demand for cord and cordage, and there will not be such a demand until next year, when the crop season comes on.

Mr. SPRINGER. The gentleman is entirely correct in that statement.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my friend from Michigan, Mr. SHAFER.

Mr. SHAFER. As was stated by the gentleman from Michigan [Mr. CRAWFORD], the Republican Party is on record to discontinue the controls as quickly as possible. But what are you going to do in a case where we are furnishing millions of dollars to the nations of the world to bid up our products and at the same time we pass an act that will not control the shipments of exports out of the country at the prices that they will pay with our money? For instance, as Russia is doing today—paying a premium of 37 cents a barrel for our oil and, as a result, oil is going out of the country in great cargoes unless we extend export controls.

Mr. SPRINGER. If the gentleman will defer that matter until I come to that section, which is section 6, I will explain that fully, and I think we are going to satisfy him and the committee on that question insofar as this measure is concerned.

Mr. SHAFER. I make my observation in order to make my position clear—that I am for the discontinuance of controls, but I am convinced, on the basis of testimony that we have heard in the House Committee on Armed Services, that many of these controls or some of these controls must be continued, whether we like it or not.

Mr. SPRINGER. I thank the gentleman for his observation.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the distinguished chairman of the Committee on the Judiciary.

Mr. MICHENER. There is a difference between extending all controls as some would do and spelling out the controls that are necessary to continuance. Rather than continue all controls and continue the old laws without modification, our committee cooperating with the departments has spelled out those controls which are necessary now. The matter to which the gentleman from Michigan [Mr. SHAFER] is referring, namely, export controls, will be covered by this bill as spelled out therein, rather than providing a blanket control giving the President or anyone else the right to use all controls if, when, and where they may think advisable.

Mr. SPRINGER. The gentleman is entirely correct.

Mr. SHAFER. Mr. Chairman, will the gentleman yield at that point? If that is true, why exclude petroleum and petroleum products?

Mr. SPRINGER. I will explain that in a minute. May I say that I am going to offer an amendment later to take care of any further exporting of petroleum or petroleum products—which I hope will be unanimously adopted by the committee.

Antimony is continued. As you know, that commodity is used for the construction of batteries, ball bearings, and in the making of bells and articles of that kind. This control is essential because that is a very critical product.

Cinchona bark, quinine, and quinidine, as I understand, have been eliminated from the Senate bill but we have continued them with an amendment. If the Members will look at the bill on page 3, regarding cinchona bark, quinine, and quinidine, the bill provides "that controls shall not apply to any of said materials now held or hereafter acquired by other than Government agencies." That means simply that the stock pile which the Government has acquired and which it now has on hand may be allocated but it does not apply to the general public or the businessmen of the country going into the open market and making purchases. There is no allocation insofar as their purchases are concerned because it was shown conclusively to the subcommittee that such control was not necessary.

Under item 4 on page 3 provision is made with relation to controls for exports which are required to expand or maintain the production in foreign countries of materials critically needed in the United States of America.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Massachusetts.

Mr. HERTER. Is it not true that the essential difference between the bill introduced by the gentleman from Michigan [Mr. SHAFER] continuing general export controls and the bill which is now under consideration is that under the

Second War Powers Act they were not export controls as such which were under consideration, but rather the allocation from our domestic production for particular needs in the foreign field in order to stimulate production for our own domestic needs?

Mr. SPRINGER. The gentleman is entirely correct.

Mr. HERTER. So that you are handling only the export controls insofar as they deal with the limited field, whereas the bill introduced by the gentleman from Michigan, which I believe has been granted a rule and which will come before us shortly, has to do with over-all protection of the price structure and so on in connection with general export controls.

Mr. SPRINGER. The gentleman is entirely correct on that question. Now, hurrying on to the import provisions of materials on page 4, relating to fats and oils, and that includes oil-bearing materials, fatty acids, butter, soap, and soap powder, but excluding petroleum and petroleum products, we have also stricken "rice and rice products," for the purpose of exercising import control. That paragraph relates only to import control. Then, you will observe, the section proceeds a little further with reference to nitrogenous fertilizer material, and we are continuing that commodity for the purpose of exercising import control and establishing priority in production and delivery for export.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I wish to know why butter was included under control for export? What was the reason given for that, if any?

Mr. SPRINGER. That relates only to import controls. You have cheese, fats, and other commodities related to the same matter, and this particular section to which the gentleman now refers relates only to import controls. It has nothing whatever to do with export controls.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my friend.

Mr. AUGUST H. ANDRESEN. In view of the tremendous volume of cheese that is being imported into the country it seems to me there should be some control over that so that the American market on this product would not be destroyed. I can say to the gentleman that of the volume of cheese that is coming into the United States from Italy and from Argentina, much is not up to the standard of the American-produced cheese; and it would help to put cheese in here; to limit the amount of cheese that could be imported into the country would be very helpful in protecting the economy of the producers in the United States.

Mr. SPRINGER. The gentleman is entirely correct on that issue as I understand it, and as it was understood from the evidence which was adduced before the subcommittee.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. ALLEN of California. Will the gentleman tell me if there would be objection to excluding copra and coconut oil from the category of fats and oils? I understand there is an abundant supply now from the Philippines and it would be a boon to them to be able to dispose of their crop due to the fact that they have no storage facilities, and it would also be somewhat of a boon to Pacific Ocean shipping because that is one of the large bulk cargoes that would be brought back to this country.

Mr. SPRINGER. May I say to the gentleman that the departments of the Government did not request that such matter be carried into this bill further than it has been continued in the pending measure.

In the hearing a peculiar situation was disclosed on this matter of copra. Our vessels leave this country with cargoes for the Philippines and elsewhere, from which points they could bring copra back into this country for crushing and processing, yet they are not permitted to bring back cargoes of cocoanuts for crushing purposes. That is the particular reason the subcommittee came to the conclusion that there was no need of any specific mention of that matter in this particular measure at this particular time.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my colleague from Indiana.

Mr. HARNESS of Indiana. In the part of the bill which has to do with export controls—

Mr. SPRINGER. I am coming to that in just a moment.

Mr. HARNESS of Indiana. Let me ask a question or two. I think the gentleman can answer them very easily.

That is existing law right now but it expires on June 30.

Mr. SPRINGER. The gentleman is entirely right.

Mr. HARNESS of Indiana. Powers under the existing War Powers Act expire on June 30.

Mr. SPRINGER. June 30, 1947, next Monday night at midnight.

Mr. HARNESS of Indiana. This merely extends existing law as it affects export controls.

Mr. SPRINGER. The gentleman is correct.

Mr. HARNESS of Indiana. Has the gentleman any suggestion as to how we might strengthen that law to prevent the abuses that have come to our attention in the last few days with respect to the shipment of petroleum and other products out of the country?

Mr. SPRINGER. May I say to the gentleman I am just coming to that now under subdivision 6 on page 4. It relates to exports and it uses the word "materials." "Materials" is a rather broad word and we excepted from this particular provision food and food products, rice and rice products, manila (abaca) fiber, and cordage, and agave fiber and cordage, and fertilizer materials. May I say that in order to strengthen this bill and to preserve the petroleum and petroleum products from the danger that now exists in this country, I intend to offer an amendment at the end of line 12 on page

4 which will "include petroleum and petroleum products" which are sought to be exported. That will make it absolutely positive that petroleum and petroleum products are included in those items, under that section of this measure. May I say further, that particular section of this measure provides that before exporting any such commodity, that need must be certified to by the Secretary of State that it is absolutely necessary for this commodity to be exported. That is not all. This measure requires an additional certification by the Secretary of Commerce showing that the export of this commodity "will not be detrimental to the domestic economy of the United States of America." I think that reaches the point which the gentleman from Indiana has mentioned. We have tried to preserve our petroleum and its products for use by our own people.

Mr. HARNESS of Indiana. I hope the gentleman offers his amendment because I want to support it.

Mr. SPRINGER. I intend to offer that amendment as soon as the bill is read for amendments.

Mr. HARNESS of Indiana. It is necessary that something be done immediately because under existing law they are permitting these things to be shipped out and we must take strong steps to stop it.

Mr. SPRINGER. The gentleman is correct. My amendment will be offered and I am confident that the amendment will entirely clarify and entirely protect that situation.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from California.

Mr. McDONOUGH. In reference to the amendment the gentleman states he intends to offer, I call his attention to line 4, page 4, beginning with the words "but excluding petroleum and petroleum products."

Mr. SPRINGER. That is on imports. That relates to import control, solely.

Mr. McDONOUGH. I thought it related to exports. In other words, am I assured that the amendment the gentleman proposes to offer will prevent the export of petroleum products from the United States under present circumstances?

Mr. SPRINGER. It will do that if the Secretary of State makes his certification and if the Secretary of Commerce makes his certification in accordance with the existing facts. May I say in this connection I have just received a newspaper from one of the very large cities in my district, Richmond, Ind., in which it is stated:

Oil company cuts summer gasoline for 12 States, including Indiana—

Those 12 States are cut down to the amount which they received during the war. That is all of this commodity that is to be delivered to them. This article states further—

including Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North and South Dakota, Kansas, Nebraska, Oklahoma—

And my own State of Indiana.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Georgia.

Mr. COX. Will the gentleman advise the committee if he finds any inconsistency as between the pending resolution and the Shafer resolution which provides for control over exports?

Mr. SPRINGER. The Shafer resolution is an over-all coverage. This resolution relates to certain products that were controlled under the Second War Powers Act.

Mr. COX. Would the adoption of the gentleman's resolution make necessary some amendment to the Shafer resolution?

Mr. SPRINGER. With the amendment which I propose to offer relating to petroleum and petroleum products, I think it reaches the very point which the gentleman from Michigan desires to reach.

Mr. SHAFER. I am interested further than that. I am interested in the control of all exports where they are not in surplus in this country. That is what my bill calls for. It gives authority to place a control on anything that is in short supply in this country.

Mr. SPRINGER. If the gentleman will defer that matter, of course, that will come up when his bill is presented. I hope not to confuse it with this pending measure.

Mr. SHAFER. I think it has been confused right along and that is the reason I make this statement.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Illinois.

Mr. VURSELL. A gentleman whom I consider an authority on agriculture is very fearful of this bill relative to shipping out of this country products that are short in agriculture. Does the gentleman think agriculture is sufficiently protected or is there danger to agriculture in this bill?

Mr. SPRINGER. Where food and food products are excluded I think agriculture is entirely protected; at least, that is the intention of the Subcommittee of the Judiciary Committee and that is the intention of the full Judiciary Committee in presenting this bill to the Congress.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. WALTER. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, when the question of continuance of controls was first considered by the Judiciary Committee, a policy was adopted under which all controls were to be eliminated immediately unless a strong case for the continuance of controls was made at that time. The subcommittee headed by the distinguished gentleman from Indiana [Mr. SPRINGER] made a very careful study of the entire question and reached the conclusion that there was no need for continuance of the controls except as to the items mentioned in this bill.

Furthermore, the committee reached the unanimous conclusion that even the controls provided for in this bill should not be continued beyond January 31 on the theory that if the need existed for the continuance of controls, Congress would be in session again in January and we could meet whatever situation existed.

Now, as to the controls of rope, manila—abaca—fiber and cordage, and agave fiber and cordage, in addition to the reasons given by the gentleman from Indiana there is one thing more that caused the committee to strike out the control as to those items, and that was the easing of the shipping situation, so that today there are bottoms sufficient to bring in any amount available.

Mr. Chairman, there is no disagreement on any of the provisions in this bill and there are no requests for time on this side. I yield 5 minutes to the gentleman from Pennsylvania [Mr. McGARVEY].

Mr. McGARVEY. Mr. Chairman, about a month ago President Truman held a conference with his New Deal economic advisers. At that time his entire Cabinet was present, together with others of his official family, with the exception of Mr. Marriner S. Eccles, who controls the vastly important credit regulations of this Nation.

After the conference the President asked the manufacturers and retailers of the Nation to reduce prices in order to avoid a serious depression. This, we were informed, was the advice of the best economic brains of the administration. However, Mr. Eccles did not attend the conference, and, strangely enough, an announcement appeared shortly thereafter to the effect that the subsidy on sugar beets had been lifted to a record all-time high of \$14.50 a ton.

In this connection, I wish to refer to several events leading to the appointment of Mr. Eccles as Assistant Secretary of the Treasury. In 1934, when this appointment was made, you will recall that William H. Woodin, then Secretary of the Treasury, had formerly been a director of the American Beet Sugar Co.—now American Crystal Sugar Co.—the company that bailed the Eccles family out of their Amalgamated Sugar Co. after years of operating losses. It was in 1934 that Congress passed the Jones-Costigan Sugar Act with its beet-sugar subsidy, providing enormous profits to the sugar producers.

I would also call your attention to the testimony of Mr. Eccles before the Senate Banking Committee on May 26, 1947. At that time he urged the regulation of bank-holding-company expansion to block a blow "at the heart of our traditional system of competitive banking." When Mr. Eccles was president of the First Security Corp. of Ogden, he had with him as officers and directors the following: M. A. Browning, vice president; E. G. Bennett, vice president; G. S. Eccles, treasurer; Joseph Scowcroft, director; S. S. Eccles, director. These men, with the exception of Mr. Marriner Eccles, are still officers and directors of the First Security Corp. of Ogden, and they are also directors of the Amalgamated Sugar Co., of which Mr. Eccles is still chairman of the board. Mr. G. S. Eccles is now chairman of the executive committee and president of the First Security Corp. of Ogden, and Mr. G. S. Eccles, S. S. Eccles, and W. L. Eccles are directors. He apparently sees no harm in a holding company operating a system of banks in which he must still have an interest. For the record it might be

noted that the First Security Corp. of Ogden, with consolidated resources of excess of \$300,000,000, owns the majority of all stock of the following banks: First Security Bank of Idaho, Boise, Idaho—21 branches; First Security Bank of Utah, Ogden, Utah—8 branches; First National Bank of Salt Lake City—2 branches; First Security Trust Co., Salt Lake City, Utah; First Security Bank, Rock Springs, Wyo.; First Security Building & Loan Association, Pocatello, Idaho.

This is the man who continues a credit policy contrary to all natural laws of supply and demand, thrift, and sound finance. This is the man who opposes the termination of credit control. He asked the Senate Banking Committee to recommend legislation continuing controls until July 31, 1948. Is he again trying to stifle production?

He now opposes the end of Regulation W which would permit the public to purchase automobiles, refrigerators, electric irons, cooking ranges, floor coverings, and other items which could not be had during the war. As you all know, under Regulation W the purchaser is required to pay one-third down and the balance within 15 months. The continuation of this control would have the effect of drying up consumer demand with the resulting curtailment of production.

This power-hungry Chairman of the Federal Reserve Board has even been reaching out to eliminate the Reconstruction Finance Corporation in order to acquire control of its functions. As usual, his excuse is that he wishes to prevent inflation. If he would prevent inflation why was the Government permitted to buy wheat at any old price when they could have bought all they wanted at \$2, a price which is still much too high for that commodity.

In conclusion, I would like to say that the activities of the Federal Reserve Board and more particularly, the activities of its Chairman, could well be investigated by this Congress. We are all interested in lowering today's high prices. I am sure that an inquiry of the type just mentioned would provide some interesting and conclusive results.

(Mr. McGARVEY asked and was given permission to revise and extend his remarks.)

Mr. WALTER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER. Mr. Chairman, as chairman of the Armed Services Subcommittee No. 3, which is responsible for stock piling of strategic materials, I take this time to make my position clear relative to this legislation.

President Truman, on March 20 this year, sent a message to Congress requesting legislation to extend export controls from the present expiration date—June 30—for 1 year. Because this authority to control exports was originally contained in the National Defense Act of July 20, 1940, this message was sent to the Armed Services Committee.

In order to bring this issue before Congress, I, as chairman of the subcommittee to which the message was referred by the Speaker, introduced H. R. 3049. Extensive hearings were held and H. R.

3049 was subsequently reported unanimously by the full committee. I then appeared before the Rules Committee, about 2 weeks ago, to bring the issue before the House. Following my appearance before the Rules Committee, I learned that someone from the Judiciary Committee had requested a delay in granting the rule, stating that that committee would have an over-all bill which would include the extension of export controls. The Rules Committee, I understand, held up a rule on H. R. 3049 as the result.

Now, Mr. Chairman, the bill under consideration has been brought up under a unanimous-consent request, and I am unable to find where it in any way takes care of the provisions of H. R. 3049, as I have been told that it would.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I gladly yield to my good and able friend the gentleman from Indiana.

Mr. SPRINGER. Does not the gentleman from Michigan believe that with the amendments I have stated, and which I propose to offer to section 6 on page 4 of the bill, the situation will be taken care of?

Mr. SHAFER. No. It takes care of it as far as my interest in the exportation of petroleum products is concerned, but not in regard to many other products which I am convinced must be controlled.

Mr. Chairman, there is a misunderstanding regarding this bill and H. R. 3049. Each bill is necessary. Now, in order to clarify the situation, permit me to say that this bill, reported by the Judiciary Committee, relates to authorities under the Second War Powers Act, and H. R. 3049, reported by the Armed Services Committee, as to export controls is authorized by section 6 of the National Defense Act of July 2, 1940. As I see it, the two must be considered separately.

The Judiciary Committee bill permits export controls on certain specific items and, as the Second War Powers Act is written, permits a complete embargo on a few specified items, such as tin, anti-mony, fats, and oils—and now petroleum.

The Second War Powers Act does not provide for any system of licensing. On the other hand, the Export Control Act, H. R. 3049, is a bill to authorize the extension of export controls as contained in section 6 of the National Defense Act of July 2, 1940. This permits controls to be exercised on any item deemed to be essential in the national interest. These controls are based upon an allocation system from this country of those items considered to be in short supply.

In other words, Mr. Chairman, the Judiciary Committee bill, now before us, only permits an outright embargo on a few specified items, whereas the export control bill, H. R. 3049, will permit the continuation of existing controls on those items now under control under a licensing system. It covers a great deal more than the Judiciary Committee bill.

Now, Mr. Chairman, I do not want to further Government controls any more than any other Member of this House, but we who dislike controls have

been forced into the position of extending them. And so long as this Congress continues to vote millions of dollars to foreign nations to be used to bid up the prices of our own products, controls will be necessary.

The bill under debate and H. R. 3049 must both be enacted. I cannot see how the two can be combined into one. I shall support this bill and will bring in H. R. 3049 as soon as the leadership permits. The Judiciary bill, in my opinion, does not do all that is necessary.

Mr. WALTER. Mr. Chairman, I have no requests for time on this side.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted, etc.—

FINDINGS OF FACT AND DECLARATION OF POLICY

SECTION 1. (a) Certain materials and facilities continue in short supply at home and abroad as a result of the war. The continued exercise of certain limited emergency powers is required to complete the orderly reconversion of the domestic economy from a wartime to a peacetime basis, protect the health, safety, and welfare of the American people, and to support the foreign policy of the United States.

(b) It is the general policy of the United States to continue emergency wartime controls of materials only to the minimum extent necessary (1) to protect the domestic economy from the injury which would result from adverse distribution of materials which continue in short world supply; (2) to promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States; and (3) to aid in carrying out the foreign policy of the United States.

Mr. MURRAY of Wisconsin. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Chairman, I have asked for this time for the purpose of clearing up the language on page 4, line 3.

What I would like to know is whether that language is not ambiguous or if something is the matter with it or else I cannot read the English language. I take it from the report that what that means is that under this bill the President will have the power to control fats and oil imports and then so far as fertilizer is concerned he is going to control both imports and exports. Is that correct?

Mr. SPRINGER. That is correct.

Mr. MURRAY of Wisconsin. The irony of it is that here we have a bill back in our laps where the President says he does not want the power to control one commodity, which happens to be wool, and yet at this same hour we are going to give him powers of control over many other imports.

Mr. SPRINGER. With reference to the nitrogenous fertilizer materials, we get a large portion of those materials from Canada. Consequently, it is necessary to have some control on imports so we can get that commodity here in our country for use. On the other hand,

after it has been processed some of these fertilizers are sent to foreign countries so those people can produce some of their food so that we will not be called upon to furnish all the food that is necessary for the people over there. That is the purpose of that particular provision of the bill. I think it is very wholesome, and it is essential that the provision remain in the bill.

Mr. MURRAY of Wisconsin. The last sentence reads, "Thus the considerable burden now shouldered by the United States in feeding foreign populations would be gradually alleviated."

I think the time has come in this country when somebody had better check up and find out whom we are feeding and who is feeding us. The chances are that in pounds, bushels, and tons, the world is feeding us just as much as we are feeding them. I think the time has come when we ought not to be telling the world that we can feed them when we will not be able to do so.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to my colleague the gentleman from Georgia.

Mr. PACE. Do I understand the situation to be that upon the enactment of this bill there will not be continued any longer any controls on exports of fats and oils, including oil-bearing materials?

Mr. SPRINGER. That is right. That particular section—section 5, on page 4—relates to imports.

Mr. PACE. And no controls will be continued on that?

Mr. SPRINGER. Whatever controls exist at the moment, if any, would still exist, but this relates only to import controls.

Mr. PACE. Whatever exists, exists on the authority of the act which you are now amending.

Mr. SPRINGER. The gentleman is correct.

Mr. PACE. Therefore, if this is the substitute for the existing authority, there will not be any authority to control the exports of fats and oils.

Mr. SPRINGER. The gentleman is entirely correct.

Mr. MURRAY of Wisconsin. I yield to my colleague, the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. With reference to cheese, I wish to advise the committee that so much cheese is coming here from Italy and Argentina and other countries that our markets are being glutted because of these imports. I wonder if there is some way that the gentleman can propose an amendment to this bill so that there may be a limitation on the imports of cheese? This cheese should be used in Italy, where they need it, rather than to export it to the United States while we are sending other food over there.

Mr. MURRAY of Wisconsin. I realize the situation, but I can say to my distinguished colleague from Minnesota that if a bill like the wool bill that passes this House by a large majority is vetoed by the President, even after the Secretary of Agriculture has sent the bill up here, I would not care to introduce a

bill which I could expect to be passed and signed by the President. So I will leave the cheese out of this situation.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am taking this time to secure a little more information from the distinguished chairman of the subcommittee in charge of the legislation. I heard the colloquy between him and my colleague from Georgia with reference to export controls. I wish to ask the gentleman from Indiana if there is any provision in the bill for the continuance of export controls when it comes to wheat, flour, grains, cereals, or fats and oils?

Mr. SPRINGER. Does the gentleman desire to know whether or not in my opinion they come under import controls or export controls?

Mr. AUGUST H. ANDRESEN. Export controls.

Mr. SPRINGER. Under section 5 fats and oils are brought under the import control provision, and nitrogenous fertilizer material for the purpose of exercising both export and import controls.

Under section 6 the gentleman will observe that the export control relates to materials and as I indicated just a little while ago, I intend to introduce an amendment to make it positive that petroleum and petroleum products will also be embraced under the export controls. Under that provision the Secretary of State must certify that it is absolutely needed abroad. Even that is not sufficient but the Secretary of Commerce must also certify that the exportation of the particular commodity will not in any way be detrimental to the domestic economy of the United States of America.

Mr. AUGUST H. ANDRESEN. What about the other commodities?

Mr. SPRINGER. If I may proceed a little further, we differ in this measure from the Senate amendment in that the Senate bill seeks to set up a new board, another agency. They provide for the appointment of a Director at a cost of \$15,000 a year. That means, of course, the setting up of a large agency the cost of which no one can foresee. We, by this bill, seek to put the responsibility on these two heads of departments, the Secretary of State and the Secretary of Commerce and require that they must certify as to those commodities provided in this bill.

Mr. AUGUST H. ANDRESEN. The gentleman has not fully answered my question on export controls over grain, flour, and other commodities that are now under export control. The reason I asked my question is that the price level in this country has risen tremendously on certain foods; and we must recognize that as long as the Congress of the United States has a policy which appropriates hundreds of millions of dollars to people in other countries to be used in the purchase of food commodities from the United States we are going to have an increased price level in this country. We are sympathetic to the idea of lending aid to the distressed people in other countries but there has been considerable complaint about the high

prices of food in this country, particularly meat and bread, corn and other commodities. The people ought to be told that as long as our country furnishes the dollar exchange to the countries which never expect to pay one penny back to us that some controls must be continued—and I do not like controls—as long as we provide the money, tax the people for the money and then give it away and give away our food commodities. It unavoidably brings higher prices in this country.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield further?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SPRINGER. May I say that title 3 of the Second War Powers Act, which is section 1501 (a) relates to allocations and priorities, that is all. There are certain items which we are excluding and eliminating from the provisions of controls under that particular section in this bill.

This bill is not as broad as that introduced by the gentleman from Michigan [Mr. SHAFER].

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for four additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SPRINGER. By the terms of the gentleman's bill it is very broad and all-inclusive, it is a blank check, in other words, to the President. In this pending bill we seek to eliminate controls under the allocation and priority provisions of section 3 of the Second War Powers Act. There is that broad difference between his version and the version of the bill now before us.

Mr. AUGUST H. ANDRESEN. Then the gentleman is of the opinion that the power to issue export licenses for the export of certain products is still covered either in his bill or in the bill of the gentleman from Michigan [Mr. SHAFER]?

Mr. SPRINGER. I think it is. That is my interpretation of the measure, and that concurs with the view of the committee.

Mr. MURRAY of Wisconsin. I understand the licenses are going to be issued the same as they have been on the export of wheat; is that right?

Mr. AUGUST H. ANDRESEN. That is my understanding now.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Georgia.

Mr. PACE. I am advised that there is a third bill, one coming from the Armed Services Committee, on this question, or is that the bill to which the gentleman from Michigan referred?

Mr. SPRINGER. That is the bill to which the gentleman from Michigan [Mr. SHAFER] referred. It is a bill that came out of the Armed Services Committee. There is another bill coming over from the Senate, as I understand it, which is somewhat at variance with the bill now before the committee.

Mr. PACE. How does it happen so many committees have jurisdiction over this legislation?

Mr. SPRINGER. I cannot understand that. The bill we now have was submitted to the Judiciary Committee and the Judiciary Committee had jurisdiction over it.

Mr. AUGUST H. ANDRESEN. It is under the new reorganization act that the conflict has occurred, which may be worthy of investigation.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Michigan.

Mr. MICHENER. The Reorganization Act had nothing to do with it. In the last Congress the Congress gave to the Judiciary Committee jurisdiction over war powers acts. The Shafer bill originates with an act of 1940, before we were in the war, permitting the President to place export controls on strategic materials, national defense materials, so that the President at that time might say which country got military supplies from this country. The Shafer bill would continue that policy enlarged so that the President of the United States would be the czar as to if, when, where, and how exports were carried out.

Mr. AUGUST H. ANDRESEN. I thank the gentleman from Michigan for his contribution to this discussion. It is good to have it clear here. Let me point out again that the food situation as well as the petroleum and oil situation in the United States is becoming serious. In providing money for other countries to buy these products in the United States we should exercise a great degree of caution to see that all of these vital materials are not pulled out of the country to the detriment of the American people. If we do not take action, then we may have that serious inflation in the United States which will cause disaster to everyone.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. LARCADE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I address myself to the chairman of the Subcommittee on the Judiciary to ascertain if it is a fact that rice and rice products are deleted and stricken from the terms of this bill?

Mr. SPRINGER. The gentleman is correct. Rice and rice products are excluded from the provisions of the bill.

Mr. KEEFE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am somewhat intrigued by the statement just made by the distinguished gentleman from Minnesota, who again called attention to the fact that it is high time that we began to take some inventory of the resources of this country in order to see whether we can afford the actual drain upon the physical resources of this Nation.

I wonder if the Members of Congress have in mind the fact that you will have provided authorization for appropriations for relief and for expenditures for people alleged to be suffering from hunger well over \$1,500,000,000, \$775,000,000 of that to be expended by the Army in occupied areas during the next fiscal year, \$400,000,000 for Greek-Turkish aid in fiscal 1948 and most of the balance to

be expended during the present calendar year. I have been listening to the testimony before the deficiency subcommittee in which the requests for appropriations are being considered, and I think it is high time that the Members of Congress and the people of America are aroused to the seriousness of the threat to our own economy that is involved in this picture.

Now, am I talking wildly when I make that statement? The testimony before the committee shows that the State Department and the President of the United States are so concerned, as are the other departments of Government, that a Presidential investigating committee has just been appointed. For what purpose? To make a survey of the resources of the United States for the purpose of determining whether or not we can continue to fulfill these commitments. And, yet, in the face of that critical situation, recognized by the President and his advisers, we continue to march merrily on and on and on, as though the resources of these United States were utterly unlimited. Then we pick up the paper and see one Secretary saying that we are a have-not nation as to oil; that we are a have-not nation as to minerals, as to copper, as to tin, and a hundred other items. Yet we propose to assume burdens which amount to 70 to 80 percent of the total cost of looking after and caring for the unfortunate peoples of the world. The great heart of America goes out to these people who are suffering, and yet we have finally reached the point now where the administration is forced to come to the consideration of the simple question, How far can we go and maintain our own economy?

So I want to issue a warning and I want to issue a challenge to this Congress and to the people of America who so lightly and blithely and apparently with so little concern can urge the Congress to continue this program of foreign spending, spending, and spending, when we may wake up when this report comes in and find that we have so depleted our own economy that we will be in danger of a violent collapse.

It is worth giving some thought to, my friends.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to obtain information from the gentleman from Indiana in charge of this bill. I turn to page 4, and my first question is under original paragraph (6), as amended, paragraph (5). Does this paragraph reading "fats and oils for the purpose of exercising import control" confine it to fats and oils that are required for import?

Mr. SPRINGER. To the distinguished gentleman from Mississippi I may say that the provision relates to import controls; fats and oils and materials which are included there. Rice and rice products were stricken out.

Mr. WHITTINGTON. I understand that. My question is that fats and oils, for the purpose of exercising import control are included in this section.

Mr. SPRINGER. That is precisely correct.

Mr. WHITTINGTON. Now then, what is the meaning of this language? "and nitrogenous fertilizer materials for the purposes of exercising import control and of establishing priority in production and delivery for export." All that is confined to import materials, what is the meaning of the language about establishing priority for export?

Mr. SPRINGER. As the gentleman will note, after "control" in line 7 there is a comma, and then we start with this new provision with regard to nitrogenous fertilizer materials. That relates largely to nitrogen, for the purpose of exercising import control. We get most of that nitrogen from Canada.

Mr. WHITTINGTON. Yes; that is perfectly clear, if the paragraph stopped there.

Mr. SPRINGER. Then it goes further and says, "for the purpose of establishing priority in production and delivery for export." As the gentleman knows, there is some fertilizer produced in this country now being exported to foreign countries so they can produce and take care of themselves. That export control as reported is to cover that situation. The evidence was clear and conclusive upon that need.

Mr. WHITTINGTON. In other words, that export control is continued for imports in production for export?

Mr. SPRINGER. That control is continued.

Mr. WHITTINGTON. What is the meaning of the following section, "Materials (except food and food products, and fertilizer materials) required for export"? When you except them in the following section from the export provision, is there not a contradiction?

Mr. SPRINGER. No. The gentleman will understand that in paragraph 5 as renumbered on page 4, "for delivery for export," that relates to the fertilizer when completed. When we get down to the next paragraph, it relates solely to export, and it provides that the fertilizer materials are excepted. But they are covered, in our opinion, in the preceding section.

Mr. WHITTINGTON. They are excepted in paragraph 6, unless imported for production for export as provided in paragraph 5.

Mr. SPRINGER. Yes. That is correct.

Mr. WHITTINGTON. If I understand the language, fertilizer materials would be excepted from any export control under that paragraph 6.

Mr. SPRINGER. It was the thought of the subcommittee and it was the thought of those who had discussed that question that since it was handled in the previous section, that is, it related to import control and establishing priority in production and for delivery for export, that such language took care of the situation as far as fertilizer is concerned, and there was no necessity of carrying it on in the next section, which relates entirely to export.

Mr. WHITTINGTON. Yes, but they except fertilizer materials from export. As I understand, there is no control over domestic fertilizer, but only on fertilizer imported to be used in production for export.

Mr. SPRINGER. Yes, under that section. That I think is taken care of in the preceding section.

The Clerk read as follows:

TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

SEC. 2. To effectuate the policies set forth in section 1 hereof, title XV, section 1501, of the Second War Powers Act, 1942, approved March 27, 1942, as amended, is amended to read as follows:

"SEC. 1501. (a) Except as otherwise provided by statute enacted during the first session of the Eightieth Congress and except as otherwise provided by subsection (b) of this section, titles I, II, III, IV, V, VII, and XIV of this act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947. After the amendments made by any such title cease to be in force, any provisions of law amended thereby (except subsection (a) of section 2 of the act entitled 'An act to expedite national defense, and for other purposes,' approved June 28, 1940, as amended by the act of May 31, 1941) shall be in full force and effect as though this act had not been enacted.

"(b) Title III of this act and the amendments to existing law made by such title shall remain in force only until June 30, 1948, for the exercise of the powers, authority, and discretion thereby conferred on the President, but limited to the following materials, and to facilities suitable for the manufacture of such materials:

"(1) Tin and tin products;

"(2) Manila (abaca) fiber and cordage, and agave fiber and cordage;

"(3) Antimony;

"(4) Cinchona bark, quinine, and quinidine;

"(5) Such materials for export which are required to expand or maintain the production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and such materials which are necessary for manufacture and delivery of the materials required for such export;

"(6) Fats and oils (including oil-bearing materials, fatty acids, butter, soap, and soap powder, but excluding petroleum and petroleum products) and rice and rice products, for the purpose of exercising import control, and nitrogenous fertilizer materials for the purposes of exercising import control and of establishing priority in production and delivery for export;

"(7) Materials (except food and food products, and fertilizer materials) required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to successful carrying out of the foreign policy of the United States, for the purpose of establishing priority in production and delivery for export, and such materials as may be necessary for the manufacture and delivery of the materials required for such export: *Provided further*, That notwithstanding the extension to June 30, 1948, made by this subsection, the two Houses of Congress by concurrent resolution or the President may designate an earlier time for the termination of any power, authority, or discretion under such title III: *Provided further*, That nothing in this subsection (b) shall be construed to continue beyond March 31, 1947, any authority under paragraph (1) of subsection (a) of section 2 of the act entitled 'An act to expedite national defense and for other purposes,' approved June 28, 1940, as amended, to negotiate contracts with or without advertising or competitive bidding: *Provided further*, That nothing contained herein shall affect the authority conferred by Public Law 24, Eightieth Congress,

approved March 29, 1947, or the Sugar Control Extension Act of 1947.

"(c) The functions exercised under title III of this act and the amendments to existing law made by such title, shall be excluded from the operation of the Administrative Procedure Act, except as to the requirements of section 3 of that act."

Mr. WALTER (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with, and that the bill be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will read the committee amendments.

The Clerk read as follows:

Page 3, line 7, strike out "June 30" and insert "January 31."

Page 3, line 11, after "products," insert "except for the purpose of exercising import control of tin ores and tin concentrates."

Page 3, line 14, strike out lines 14 and 15.

Page 3, line 16, strike out "(3)" and insert "(2)."

Page 3, line 17, strike out "(4)" and insert "(3)."

Page 3, line 18, insert "Provided, That controls shall not apply to any of said materials now held or hereafter acquired by other than Government agencies."

Page 3, line 21, strike out "5" and insert "4."

Page 4, line 6, strike out "6" and insert "5."

Page 4, line 5, after the word "products" strike out "and rice and rice products."

Page 4, line 10, strike out "7" and insert "6."

Page 4, line 11, after the word "products" insert "rice and rice products, manila (abaca) fiber and cordage, and agave fiber and cordage."

Page 4, line 20, after the word "export" insert "Provided, That no such certification by the Secretary of State shall be effective unless and until the Secretary of Commerce shall certify that the proposed action will not be detrimental to the domestic economy of the United States."

Page 5, line 1, strike out "June 30" and insert "January 31."

The committee amendments were agreed to.

Mr. SPRINGER. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SPRINGER: In line 10, page 4, after the word "Materials" insert a comma; and in line 12, page 4, after the parenthesis at the end of the line insert a comma and add "including petroleum and petroleum products."

Mr. SPRINGER. Mr. Chairman, I explained this amendment when we were engaged in general debate. The amendment is offered at this point in order to be certain that there is export control continued over petroleum and petroleum products.

As the Members well know, throughout the country there is a very great shortage of oil and gasoline. Just recently we learned that we are exporting at the rate of approximately 1,000,000 barrels of oil and gasoline per month to Russia from this country, and that at this very moment they are threatening to ration gasoline in this country.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. WALTER. Is there anything in existing law that would enable the Government to prevent the exportation of oil by those companies who want to make greater profits by exporting this oil?

Mr. SPRINGER. I think there is perhaps nothing that would absolutely reach that, but by writing it into this particular bill by way of an amendment I feel confident that we will be able to control that situation by giving export controls to the Secretary of State and the Secretary of Commerce.

May I say, Mr. Chairman, in that connection that under this export control which is provided in this section of the bill it must be certified by the Secretary of State to the effect that it is of high public importance and essential for the carrying out of the foreign policy of the United States. That must be so certified by the Secretary of State. That is not all. After the Secretary of State makes that certification, then it is necessary for the Secretary of Commerce to also certify that the exportation of this particular commodity which they are seeking to export will not in any way be detrimental to the domestic policy of the United States of America. That is about as far as we could go in protecting that particular feature. The responsibility will then rest upon the Secretary of State and the Secretary of Commerce.

But I feel confident, Mr. Chairman, that they will protect the exportation of oil and gasoline far different from that which has been carried on in the past.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to my distinguished chairman.

Mr. MICHENER. As a matter of fact, the Secretary of Commerce could not do other than so certify, if there was any type of rationing of gasoline in this country. That would affect the domestic economy.

Mr. SPRINGER. The gentleman is precisely correct.

Mr. WELCH. Mr. Chairman, will the gentleman from Indiana yield?

Mr. SPRINGER. I yield to the gentleman from California.

Mr. WELCH. Mr. Chairman, I have been a member of the Committee on Insular Affairs since I have been a Member of the House of Representatives. At the present time I am a member of the Philippine Commission and I try to keep informed on problems concerning the Philippine Islands.

I desire at this time to compliment the chairman and his committee for having stricken lines 14 and 15 from the bill and sincerely hope that should the bill go to conference they will insist on the bill as amended.

Mr. SPRINGER. I wish to thank the gentleman for his observation.

Mr. Chairman, I yield to the distinguished gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, I favor the amendment of the gentleman from Indiana.

I would like to inform the House that the concern over the shipment of oil to Russia is a matter that has aroused the Nation. They are paying a premium on the oil that they are purchasing.

I am confident that this amendment will prevent the wasting of our natural resources. It will require a certification by the Secretary of State that exports of petroleum and petroleum products will not be detrimental to the domestic economy of the United States.

We are being informed that gasoline may be so short in the near future that we may have to ration it in some States. It is ridiculous, yes, almost criminal that we should permit exports of gasoline and oil to foreign sources who may use them to wage war on us, and at the same time deplete our own supply so that rationing may be necessary.

We must protect our natural resources. We must be alert to our future and especially when our resources are being sought by nations that talk peace and prepare for war.

I urge adoption of this amendment as a proper and expedient precaution to our own safety. Russia not only wants all of our gasoline and oil but all she can get from the Middle East. The gentleman from Indiana is to be complimented for his amendment. It should be adopted.

(Mr. McDONOUGH asked and was given permission to revise and extend his remarks.)

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. WALTER. Can the gentleman from California inform us as to the companies that are shipping this oil to Russia?

Mr. McDONOUGH. The information I have, and which I believe is authentic is that there are many companies in the United States shipping oil to Russia.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman.

Mr. WHITTINGTON. I appreciate the gentleman's explanation in response to my question with respect to nitrogenous fertilizer material. As I understand, paragraph 6 on page 4, renumbered paragraph five old section applies:

To nitrogenous fertilizer materials for the purpose of exercising import control and of establishing priority in production and delivery for export.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the gentleman from Indiana may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. As I understood the gentleman he said that language in that section applied to nitrogenous fertilizer materials that are imported but which are to be used in the production for export.

Mr. SPRINGER. The gentleman is entirely correct; that is the way we con-

sidered it, and that is our interpretation of that provision in the bill.

Mr. WHITTINGTON. And then paragraph 6, old paragraph 7, exempts from export fertilizer materials produced in the United States for export.

Mr. SPRINGER. That is correct.

Mr. WHITTINGTON. In order to make those two sections conform I ask the gentleman if it would not be in order to insert the word "nitrogenous" in line 12 before the word "fertilizer" thus making the two sections agree? Would there be any objection? I do not see that there could be.

Mr. SPRINGER. There would be no objection on the part of the Committee if that word were inserted as indicated by the gentleman.

Mr. WHITTINGTON. I will offer such an amendment.

Mr. SPRINGER. Mr. Chairman, I ask that my amendment be voted on.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Page 4, line 12, insert the word "nitrogenous" before the word "fertilizer."

Mr. SPRINGER. Mr. Chairman, may I say that the committee has no objection to that amendment.

The amendment was agreed to.

Mr. ANDREWS of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, some weeks ago the President sent a message to the Speaker of the House of Representatives on the question of export controls. That message on export controls was referred to the Committee on Armed Services by the Parliamentarian of the House.

Subcommittee 3 of the Armed Services Committee, which is concerned in the mobilization of war industries, the stock piling of strategic materials, and so forth, under the chairmanship of the gentleman from Michigan [Mr. SHAFER], conducted extensive hearings on the question of the extension of the Export Control Act. Some 2 or 3 weeks ago the subcommittee reported by unanimous vote to the full committee, and the full committee reported favorably a bill, H. R. 3049, by unanimous vote, to the House. Application was made to the Rules Committee. At that time no rule was granted, nor so far as I know was the rule denied, but since that time I am given to understand the Committee on Rules has seen fit to grant a rule on the bill from the Armed Services Committee, H. R. 3049. It may be that the action of the committee on the bill from the Judiciary Committee today will obviate necessity for the consideration of H. R. 3049 which comes from the Armed Services Committee on at least a portion of the subject.

My point in taking the floor at this time is to ask the chairman of the Committee on the Judiciary, the gentleman from Michigan [Mr. MICHENER], what portion of his bill extends export control as such under the provisions of the act of July 2, 1940?

Mr. MICHENER. The chairman of the Judiciary Committee does not have before him the law to which the gentleman from New York refers.

The act of July 2, 1940, as I recall, was an act affecting national defense materials only, which was passed before we entered the war.

Mr. ANDREWS of New York. That is correct.

Mr. MICHENER. The purpose of the bill at that time was to make it possible for the President of the United States to designate to which countries strategic materials should be sent.

In other words we were told we were not going to get into the war, that we were not in the war, but that we would enact a law giving the President the right, in his discretion, to send strategic materials to such countries as he, the President, might select.

Mr. ANDREWS of New York. All right. Let me ask the gentleman another question. I assume the gentleman has read the provisions of the bill, H. R. 3049, reported unanimously by the Armed Services Committee?

Mr. MICHENER. Yes.

Mr. ANDREWS of New York. I am informed that the gentleman from Michigan [Mr. SHAFER] has been in consultation with Senator COOPER, who is the head of the subcommittee on this subject in the Senate. I believe it is a correct statement to say that the provisions of 3049, the Armed Services Committee bill, on this subject are included in the Senate bill which will be acted upon today. In other words, it is acceptable to the Armed Services Committee of the House and would be were our bill to pass. I ask the gentleman from Michigan, is he informed upon these provisions in the proposed Senate bill?

Mr. MICHENER. Yes. I may say that the Committee on the Judiciary has cooperated with the Judiciary Committee of the Senate, of which Mr. COOPER is a member. Mr. COOPER is a member of that committee and has had charge of this matter. The members of the Judiciary Committee had an extended conference last night with Mr. COOPER and I think there is a general understanding that we want to accomplish the same things.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MICHENER. Mr. Chairman, I ask unanimous consent that the gentleman may have five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. The real trouble is that in the Senate bill instead of permitting the President to administer as is the case under existing law, they set up an administrator with a salary of \$15,000 with the right to employ such help in numbers as he may see fit to administer the law. We are very much opposed to that. The Shafer bill would simply give the President all the right which he has to allocate or designate the materials to be exported. In other words, it is a question of whether or not you give the President a blank check to do as he may see fit or to spell it out in the bill as in the House bill.

Mr. ANDREWS of New York. I asked the gentleman a question. I did not ask him for a statement of views as to the provisions.

Mr. MICHENER. I thought I was answering the gentleman's question.

Mr. ANDREWS of New York. Are the provisions in the Senate bill comparable to the provisions of the bill H. R. 3049?

Mr. MICHENER. Yes.

Mr. ANDREWS of New York. Is it the intention of the conferees from this committee, when they go to conference with the Senate, to accept the Senate provisions or not?

Mr. MICHENER. It would not be my purpose to accept anything in the Senate bill that gave the President a blank check to use his discretion in all cases without limitation.

Mr. ANDREWS of New York. I do not care what you think. I want to know whether or not you will accept the provisions. The answer is "No."

Mr. MICHENER. The language as written?

Mr. ANDREWS of New York. Yes.

Mr. MICHENER. I would not want to pass on that, because if I had written the language I would have made it shorter. I would simply say that the President shall have such authority as he heretofore had, and stop there. That is all.

Mr. ANDREWS of New York. I yield to the gentleman from Michigan [Mr. SHAFER], if he has any observations to make.

Mr. SHAFER. The gentleman from Michigan apparently inferred in his remarks that I am standing behind the Senate bill to establish a new administrator.

Mr. MICHENER. No; I did not intend that.

Mr. SHAFER. I did not want my position misinterpreted.

Mr. MICHENER. No. I do not think the gentleman from Michigan is in favor of this administrator, but, in my judgment, the gentleman from Michigan now speaking thinks his bill could be written in much less language by saying that the President shall have all the power he has had since 1940 to allocate as he may see fit. I may be wrong about that.

Mr. ANDREWS of New York. The gentleman from Michigan would like to be assured whether the provisions in his bill, whether it is his bill, or a bill of the Senate, or anyone else's bill, will be finally agreed to?

Mr. SHAFER. All I would like to have, Mr. Chairman, is the assurance that controls can be placed on any items in short supply in this country. That is all I ask, and that is what my bill provides. There are only 415 items now being controlled under this act. There were 3,200, as I explained before.

This organization that administers the act, the Department of International Trade, has done a good job in decontrolling all items that have been in surplus supply. All I ask is the assurance that the OTI just will not be abolished on the 30th day of this month. If it is, the Committee on the Judiciary of the House can take the responsibility for the increase in the prices of those articles that will be shipped out of here and no control had over them.

Mr. MICHENER. The gentleman and I do not differ a lot, but I want to call his attention to the fact that these 3,200 items that have been removed have been removed largely because of legislation enacted by the Congress, which is just along the lines of this bill. This bill is carrying on the first Decontrol War Powers Act which this House passed, which came from our committee, and which was responsible for the decontrol of practically all of those items. But I do not want to revive the law enacted in 1940 without any limitation, without any reference to anything that has happened from the time the original authority was given, up to now.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SHAFER. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ANDREWS of New York. I am glad to have this colloquy in my time.

Mr. SHAFER. May I ask the gentleman one more question? Did the Judiciary Committee hear Mr. Blaisdell and Mr. McIntyre and others of the Office of International Trade? Did they appear before his committee?

Mr. SPRINGER. They did not.

Mr. SHAFER. I did not think so.

Mr. SPRINGER. We notified everyone who was interested in the legislation to appear, and specific invitations were issued to the departments of Government interested. But those gentlemen did not appear and they did not testify.

Mr. SHAFER. It appears very much, Mr. Chairman, that we must have two different bills on this matter, as I have contended, because if those gentlemen did not appear before the Judiciary Committee they should have appeared before this bill was brought before us.

Mr. ANDREWS of New York. After those other men were notified.

Mr. MICHENER. The departments were notified. Amplifying what my colleague from Michigan has said, as I recall, according to the report, hearings were held on the Shafer bill back in April. We were holding hearings at that time, too, on this matter, and we held hearings up to the 28th day of May. The gentlemen to whom he referred appeared before his committee weeks and weeks ago. Now, we introduced this bill at the request of the very people he is talking about and on the 28th day of May, and then we held additional hearings. They sent up their experts and the people who advocated what is in this bill. The Shafer bill was introduced on June 3.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. REES. Mr. Chairman, I move to strike out the last word.

(Mr. REES asked and was given permission to revise and extend his remarks.)

THE RESOURCES OF OUR COUNTRY MUST BE PROTECTED

Mr. REES. Mr. Chairman, I am particularly interested in the legislation be-

fore us that deals with the question of export controls, especially as it applies to petroleum and petroleum products. I am generally in favor of a minimum amount of control by the Federal Government, but I do think that in dealing with such an important problem, it is well for us to take notice of some of the things that are going on with regard to exportation of oils and other materials to other countries.

I direct your attention to a serious situation with respect to oil. We are exporting oil to foreign countries where it is sold at premium prices. We are informed that our country exported more than a million gallons of gas and oil to Russia during the last month at a premium price of 39 cents per barrel. We also shipped large supplies to other countries.

The Secretary of the Navy told a committee of this Congress recently that our country is becoming a "have not" Nation with respect to our gas and oil supplies. Big oil companies have just published statements to the effect that they are going to ration gasoline for a while because the demand is greater than the capacity of our refineries.

It appears we are depleting our oil and gas resources in favor of the countries of Europe, some of whom have vast supplies of their own. It seems to me that, while we are willing to divide with foreign nations, it would be well that we find out where our supplies are going and whether our resources can stand the exports of such materials that are being purchased at premium prices from funds, a great extent of which are loaned by this country.

Our Government in recent months has given or loaned, in one way or another, either through the Army, the State Department, or otherwise, approximately one and one-half billion dollars to other nations so they may buy products and materials from this country. This money, of course, comes from the Federal Treasury. I do not want to be misunderstood. I am in favor of doing as much as we can within reason to rehabilitate people of other countries who are in need, but I believe there are at least two things that ought to be considered: First, we should know what products are going out of this country, where they are going, and for what use. We should also be informed with respect to our own resources, so it may be determined whether our reserves and supplies are sufficient to take care of the demands without injury to the Nation's stability.

In view of the situation I have just outlined, the American people are entitled to be informed with respect to this condition, especially considering that the funds for the purchase of these supplies are in the most part being furnished by the American taxpayer.

After all, we want to help people who are in need, but, at the same time, we must protect our own interests. Let us take a little inventory as we go along. It is time, I think, for the American people to stop, look, and investigate.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

(Mr. MILLER of Nebraska asked and was given permission to revise and extend his remarks.)

Mr. MILLER of Nebraska. Mr. Chairman, during the war it was necessary to delegate a great deal of authority to the executive department. I think the Committee on the Judiciary has been doing a good job in trying to write off some of the controls that were delegated during the war. They will remember that the gentleman now addressing the House introduced resolutions to end some of these controls that may have been necessary during the war. I still have a resolution before the Judiciary Committee and I understand that some attention is being given to it. I hope that we can go along with the other body, as they have passed a bill that takes off these controls that are in effect because of the war.

There is one control, however, that I wish the Committee on the Judiciary or the Committee on Public Works, to which the several resolutions were referred, would deal with. It relates to the power of the Executive to freeze a part of the appropriation bills as passed by this Congress. Let us go over that again.

At the present time the Chief Executive claims to have the authority under the War Powers Act to nullify any part of the appropriations that this Congress might pass. You do not think so? Well, he did it last year the day after Congress adjourned on an appropriation bill that the Congress passed relative to public works. Public works includes irrigation projects, post offices, flood control, and similar projects. Now, he did that the day after Congress adjourned last year. It must be remembered that when that public works appropriation bill was before him, he had 10 or a dozen Members of Congress down when he signed the bill, and he handed a pen to each one that had been interested in the bill and said that this was a great step forward. The Congress adjourned on August 3 of last year, but in a letter dated August 2 he froze most of the work for Public Works. That freeze order included appropriations for reclamation and flood control. Last week this Congress appropriated \$12,000,000 to take care of emergency flood control work. It might not have been necessary had work proceeded under the appropriation as passed by the Congress last year.

I submit to my colleagues that the Chief Executive should not have the authority under the Second War Powers Act to nullify a portion of an appropriation bill that might be passed by this Congress. He still has that authority. I hope the proper committee, whether it be the Committee on the Judiciary or the Committee on Public Works, will take the steps necessary to see that this authority is eliminated, because it has never been held by any President heretofore and it has never been so exercised.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Indiana.

Mr. SPRINGER. May I say to the distinguished gentleman from Nebraska that on the 24th of this month the Senate passed Senate Joint Resolution 123, which I understand eliminates 142 specific laws which were closely related to

the conduct of the war. It may be that the very act to which the gentleman refers is incorporated among those contained in that bill. I am not certain. That bill has just been referred to the Committee on the Judiciary. I understand we are going to start checking on these laws immediately, and the matter will soon be before the House.

Mr. MILLER of Nebraska. I am glad to know that. I know that the Committee on the Judiciary, of which the gentleman is a member, and whose chairman is the gentleman from Michigan [Mr. MICHENER], will go into that problem carefully. I hope you will explore it thoroughly, and if you do find that the President still retains the authority under the Second War Powers Act to freeze appropriations passed by this Congress, that you will take appropriate action to annul such authority.

Mr. MURRAY of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Wisconsin: On page 5, after subsection (c), insert a new subsection to read as follows:

"(d) The President shall have power to control both imports and exports of wheat, flour, corn, oats, and barley."

Mr. MURRAY of Wisconsin. Mr. Chairman, the adoption of this amendment will clear up this matter so we will know in time what is in this bill and what in time is not in the bill. I have heard two answers. One is that wheat exports were to be controlled and the other was that they were not going to be controlled. If you adopt this amendment it will clear up that situation. At least we will know then whether or not wheat is included.

I repeat what our distinguished colleague from Minnesota said, and may I say there is not a Member of this House that is closer to the food situation and has been for the last 20 years than the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]. If there is any reason in the world to extend any powers to President Truman at this time in connection with agricultural products, it surely is so far as wheat is concerned. Wheat is the staff of life. It is hard for me to get up here today in my present frame of mind, as I mentioned before, when they will not even have controls over a little thing like wool, and try to give the President power to control the export of wheat. There is no reason for me to be wrong too. I do not think there is a Member of this House who wants to assume the responsibility of letting these exports of wheat go all over the world and not have any control over them. Wheat prices have settled down. The price is not very much above the support price at the present time. I should like to have any Member here tell me what the price of wheat is going to be in 30 days in view of what we are facing so far as the United States oat and corn crop is concerned in 1947. Do you deliberately wish to raise the cost of living at this time?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I feel that the gentleman's amendment should

be adopted, unless it is cleared up by the committee that these commodities are included, because so long as we furnish money to foreign countries to buy these commodities, and they do not expect to repay the money, they will bid up the price and take the commodities out of the United States. As the gentleman has so well said, when it comes to producing feed crops this year, we may have to use a lot of this wheat in lieu of corn to take care of our livestock and produce dairy products, pork, and poultry products for the people.

Mr. MURRAY of Wisconsin. I hope the committee takes the right attitude and accepts this amendment. There is nothing personal in it as far as I am concerned. Very few bushels of wheat are produced in my district, but I do know we have 140,000,000 people in the United States, and I know that bread is the staff of life. I know that as a Member of Congress I do not want to sit here and leave the President powerless and let wheat from this country go all over the world and have the price of wheat \$2.50, \$3, or \$4 a bushel, which is what they are selling the Argentine wheat for at the present time. So I hope the committee will accept this amendment.

Mr. SHAFER. Will your amendment take care of oil?

Mr. MURRAY of Wisconsin. It only takes acre of wheat and grain.

Mr. SHAFER. That is what I wanted to know.

Mr. SPRINGER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment which has been offered by the gentleman from Wisconsin [Mr. MURRAY] relates to the import and export controls on wheat, oats, corn, and other farm commodities.

We are dealing in this bill with the controls on allocations, the controls on priorities that are set forth in title III of the Second War Powers Act.

The amendment offered by the gentleman from Wisconsin is broad in its terms and proposes certain provisions which I do not think come within the provisions of this bill. This bill relates to certain items which have been continued under control by the extension of the Second War Powers Act. The export control which the gentleman from Wisconsin suggests by his amendment is all-embracing and does not relate to the allocation or the priority but gives both import and export controls on certain commodities not relating to allocations at all.

Mr. Chairman, the committee cannot accept the gentleman's amendment, and I ask the Committee to vote it down.

Mr. HERTER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am taking this time to try to clarify what seems to me to be a rather confused situation, both regarding this bill and the general export control bill which was reported out of the Committee on Armed Services and on which a rule was granted this morning.

I hope the chairman of the committee or the chairman of the subcommittee will check me on these facts if my understanding is incorrect.

Export controls were first put on in this country a year and a half prior to

the time that we went to war. That was done by the act of July 2, 1940, long before the Second War Powers Act was ever thought of.

The bill which the gentleman from Michigan [Mr. SHAFER] has introduced and which will be before us shortly, deals with the continuation of the Presidential powers that were given at that time. Those Presidential powers were intended to protect this country from having drained out of its domestic economy all sorts of things which would include grain, flour, tractors, and all types of things for which we have a great domestic need and for which competitive bidding, if they were in short supply, would drive the domestic prices up to such a point as to destroy our entire economy. That is the bill which the gentleman from Michigan [Mr. SHAFER] has introduced and which will come before us later.

The bill from the Committee on the Judiciary, as it has been reported, is a bill which has a much more limited application, and with that limited application the amendment just offered does not really take care of the situation which the gentleman from Wisconsin [Mr. MURRAY] had in mind. The intent of the Second War Powers Act was never to control exports but to control domestic priorities with respect to exports so that the Government in certain exceptional cases could require manufacturers in this country to send certain types of machinery or goods abroad because of the valuable returns that we get for doing that.

Mr. SPRINGER. The gentleman is entirely correct.

The amendment proposed by the gentleman from Wisconsin relates to the general Export Control Act while we are dealing here in the Second War Powers Act with title III which relates to allocations and priorities and is not all-inclusive as is proposed by the gentleman from Wisconsin in his amendment.

Mr. HERTER. Will the gentleman agree that we have to have a combination of both bills? At the present time, as I understand it, the Senate has approved a bill which is now a combination of the two things. If we pass both bills, they would then be considered in conference as a single matter even though there was a division of jurisdiction in the matter as it was handled here in the House.

Mr. SPRINGER. May I say to the distinguished gentleman that I understand the Senate is considering that bill at this particular time and it has not yet been voted out; at least, that is the information I received this morning.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. AUGUST H. ANDRESEN. I would like to ask the gentleman whether there would be any objection—I recognize the gentleman as a great parliamentarian—to the gentleman from Michigan offering a new title to this bill which would include his amendment?

Mr. HERTER. After all, I am not the Parliamentarian of the House, but we are dealing with two entirely different laws which were put on the statute books at different times. While there is an over-

lapping to a limited degree, they have been under separate jurisdictions and before different committees of the House.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. MURRAY of Wisconsin. Then we have the gentleman's assurance that the bill of the gentleman from Michigan [Mr. SHAFFER], for which a rule has already been granted, will come in subject to amendment and that in that bill we can take care of the wheat and feed situation.

Mr. HERTER. I may say to the gentleman that if that bill comes before the House in its present form, it already takes care of the situation the gentleman has in mind.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

Mr. MICHENER. Mr. Chairman, may I suggest that, if the two bills deal with different subjects, then parliamentarily they cannot get married in the House. A point of order would lie. If both bills are included in a bill that comes from the Senate, they would be married, and they would be before the conference.

Mr. HERTER. The gentleman is a great parliamentarian and knows much more about the rules governing such things than I; but I believe it is extremely important that the general export control powers be maintained because we are likely to get ourselves into a very serious situation on many commodities that we cannot now foresee which may become scarce.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The gentleman from Wisconsin asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

Mr. RIZLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to direct a question to a member of the Judiciary Committee. Is there anything in the bill that continues Government control over freight cars used for the transportation of gas, oil, and petroleum products. Is there anything in this bill that continues this authority in the executive branch of the Government?

Mr. SPRINGER. As the gentleman knows, title 3 of the Second War Powers Act relates to priorities and allocations. That is what we are dealing with here. We are not dealing with the broad general subject such as the Export Control Act, or anything of that character. The question here deals with allocations. Under title 6 on page 4 of the bill the gentleman will note that the word "materials" is used in connection with export controls. That is a very broad word.

Mr. RIZLEY. The matter of which I speak has no relation whatever to export controls, it is related to control of freight cars or control of cars that were built for the Government and put into use in the petroleum industry for domestic use.

The Government controlled the use of these cars by leasing them to various and sundry companies. They were used

to transport butane and other liquefied gases. The Government has controlled these cars but they have been declared surplus and control will end on June 30. Allocations were attempted to be made by ODT under the War Powers Act. What I am seeking to find out is whether control over those cars is continued in this bill.

Mr. SPRINGER. There is nothing specific on that subject in this bill. The Office of Defense Transportation and the War Manpower Commission jointly had something to do with that subject—perhaps more recently the Office of Defense Transportation has that problem; but this bill relates only to allocations and priorities and contains nothing regarding the matter to which my good friend has referred.

Mr. RIZLEY. The point I am trying to make is that these cars did come under allocations and priorities and I want to know whether the law granting such control of these cars is extended by this act.

Mr. SPRINGER. The question of continuation is set forth in sections 4, 5, and 6 in the new provisions of the bill; and those powers are all that are being continued by this bill.

Mr. RIZLEY. The gentleman means, then, that this power is not continued, or extended to anything except those things which are specifically mentioned in, and sent out, and described in this bill.

Mr. SPRINGER. And which could be included by interpretation; but there is no specific reference to the matter which the gentleman from Oklahoma has mentioned.

Mr. MICHENER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. COLE of Missouri, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3647) to extend certain powers of the President under title 3 of the Second War Powers Act, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

Mr. MICHENER. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any of the amendments? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill just passed

may have five legislative days in which to revise and extend their remarks on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1948

Mr. JOHNSON of Indiana, from the Committee on Appropriations, reported the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes (Rept. No. 717) which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. COOPER reserved all points of order.

MARY LOMAS

Mr. FELLOWS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1742) for the relief of Mary Lomas, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Line 5, strike out "54" and insert "56."

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the Record and include an editorial from a magazine.

INTERNATIONAL REFUGEE ORGANIZATION

Mr. VORYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of House Joint Resolution 207, providing for membership and participation by the United States in the International Refugee Organization and authorizing an appropriation therefor.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of House Joint Resolution 207, with Mr. BREHM in the chair.

The Clerk read the title of the bill.

Mr. KEE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. GORDON].

Mr. GORDON. Mr. Chairman, I am going to vote for the passage of House Joint Resolution 207 as reported unanimously by the Committee on Foreign Affairs. I believe the conditions that are written in this joint resolution are adequate, and recommends a fair distribution of responsibilities in solving the gigantic problem for the care of displaced persons for their repatriation or resettlement.

The International Refugee Organization is the method recommended by the General Assembly of the United Nations for the solution of the displaced persons problem.

If the United States does not become a member of the International Refugee Organization, that organization will not come into being. Thus, the question of United States participation is really identical with the question of whether the International Refugee Organization should exist at all. If there is no International Refugee Organization, the United States will have to assume, for an indefinite period, all costs and responsibilities connected with the care and assistance to the eventual disposition of the over 600,000 displaced persons in American-occupied zones. This eventuality would prove disadvantageous to the United States on financial, practical, and political grounds.

The cost to the United States last year of taking care of our share of the displaced persons was about \$130,000,000. Our share of the International Refugee Organization budget for the first year would be only \$73,500,000. A saving of \$56,500,000 would thus be effected.

The resettlement of the displaced persons in our zones will not be financed by the respective countries which will receive them, but by the International Refugee Organization or—if it does not come into being—by the United States. In the former case, the United States would contribute 45.75 percent of the developing costs of resettling all of the estimated 800,000 displaced persons to be resettled. In the latter case, we would pay 100 percent of the resettlement costs of between 500,000 and 600,000.

The participation of 15 or more countries in the International Refugee Organization will create a collective stimulus toward solution of the problem as quickly as possible through resettlement. Toward that end the resettlement problem will be in the forefront of discussion on a world-wide basis.

But if the United States has not supported the international solution of the problem through an International Refugee Organization, we would have to play a lone hand in arranging with other countries for the resettlement of our displaced persons. This would doubtless take considerably longer, thus prolonging our subsidization of the care and maintenance costs well beyond the 3- to 5-year goal of the International Refugee Organization.

This organization would consolidate and greatly simplify the processes through which relief and resettlement are to be effected. Therefore, the per capita costs would be at a minimum.

Without this organization, the United States would have to deal separately with a multiplicity of countries, private agencies, missions, and individuals. Real economy through consolidation would be almost impossible. Per capita costs would thus be much higher both for care and resettlement.

The orderly disposition of the displaced persons problem is, for financial, political, and humanitarian reasons, essential to its success. The formulation of just, uniform, and recognized stand-

ards concerning displaced-persons care, assistance, eligibility, nationality determination, documentation, international travel, resettlement, and legal and political protection, is of prime importance not only to the displaced persons themselves, but to the countries of the world. Obviously a forum of interested nations can fulfill these objectives far more completely, quickly, and satisfactorily than can any one country acting unilaterally. Efficient solution of such matters will directly or indirectly benefit every country involved, and especially those—such as the United States—which are importantly involved in the displaced-persons problem. The international scope of the refugee problem was officially recognized by the first meeting of the General Assembly of the UN in January 1946. Failure to achieve such results will bring chaos to the world-refugee problem, and ultimate repercussions of a far-reaching nature.

Politically, the United States cannot afford to avoid international participation in one of the great world problems emerging from the war. Even if we had not a single displaced person in our zones, the moral and political obligation to accept international responsibility toward the succor of more than a million anti-Fascist refugees would be inescapable.

House Joint Resolution 207 authorizes United States membership and participation in the work of the International Refugee Organization, a temporary organization within the framework of the United Nations, which was formed December 15, 1946, to deal with the problem of war refugees and displaced persons who are being cared for at present by the United Nations Relief and Rehabilitation Administration and the occupying armies. The United Nations Relief and Rehabilitation Administration, however, will terminate on June 30, 1947, throwing the entire burden and expense of this problem on the United States Army and other occupying armies unless the International Refugee Organization takes over.

Our joining this United Nations Organization is an act of international cooperation that will save money for the United States, will carry out our agreed share in the support, repatriation and resettlement of these victims of war and its aftermath, without change in our immigration laws or policies, and will terminate existing responsibilities for the displaced persons in the United States occupied zones.

During the war Hitler had more than 10,000,000 people from the countries he occupied in concentration camps or at slave labor. It is estimated that on VE-day there were over 8,000,000 of these war victims. They were the survivors of the diabolically ingenious system of torture, terror, and starvation by which the Nazis suppressed the occupied countries and got their work done. Since VE-day over 7,000,000 of them have been repatriated, returned to their homes, or resettled, placed in other lands. Others have come to the camps as refugees from postwar Soviet terror and persecution. There remained on December 31, 1946, slightly more than 1,000,000 displaced

persons in Germany, Austria, and Italy as follows:

In camp:	
Polish.....	276,868
Jewish.....	193,332
Baltic.....	180,838
Yugoslav.....	39,494
Soviet.....	13,800
Western European.....	2,400
Others.....	86,003
Total.....	794,735
Out of camp.....	242,669
Grand total.....	1,037,404

These displaced persons, men, women, and children, in about 700 camps, numbering from a few hundred up to 16,000, are what has been called the hard core of unrepatriables.

Many of them do not dare return home because of well-justified fear of persecution. Although the occupied countries must contribute to their support, basic care and maintenance must be continued for them and arrangements must be made for their eventual repatriation or resettlement.

Up to now responsibility for this essentially civilian problem has been divided between the United Nations Relief and Rehabilitation Administration, the Inter-Governmental Committee on Refugees, the American, British, and French Armies—a wasteful, expensive, confusing, unsatisfactory system. Two-thirds of the displaced persons are under the American flag, a charge on the American taxpayers.

Our failure to join the International Refugee Organization would be tantamount to a rejection of the idea of international effort as the ideal medium for the solution of humanity's problems. Thus, the underlying unity of all world organizations, and particularly of the United Nations, would be seriously prejudiced by our stand.

(Mr. GORDON asked and was given permission to revise and extend his remarks.)

Mr. KEE. Mr. Chairman, I yield myself 10 minutes.

(Mr. KEE asked and was given permission to revise and extend his remarks.)

Mr. KEE. Mr. Chairman, the joint resolution we now have under consideration is a companion measure to Senate Joint Resolution 77, with the same title and purpose, unanimously passed by the Senate on March 25, 1947. It had been reported to the Senate on March 11, 1947, with the unanimous approval of the Senate Committee on Foreign Relations. With no change in the text, except as to the amount of our contribution, the resolution was introduced in the House as House Joint Resolution 207 and referred to the House Committee on Foreign Affairs. After hearings, conducted by a subcommittee of which I was a member, and after earnest consideration by the full committee, the measure was reported out with the committee's unanimous approval.

There are three important provisions in the measure. First, it authorizes the acceptance by the United States of membership in the International Refugee Organization, the first organization set up

S. 1461

IN THE SENATE OF THE UNITED STATES

JUNE 26 (legislative day, APRIL 21), 1947

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ELLENDER to the bill (S. 1461)
to extend certain powers of the President under title III
of the Second War Powers Act, viz:

- 1 On page 7, line 15, after the word "control" insert the
- 2 word "only".

6-26-47—B

AMENDMENT

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AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (S. 1461) to extend certain powers of the President under title III of the Second War Powers Act, viz:

1 On page 9, line 2, insert the following:

2 “(e) The executive agencies exercising control over
3 exports shall permit the resumption or initiation of exports.
4 Such exports shall be permitted regardless of whether one
5 or more competitors were normally engaged in the same
6 type of business and shall not be made dependent upon the
7 existence of a concern or the functioning of a concern in a
8 given field of activity at a given time.”

9 On page 10, line 9, after the word “report” insert the
10 following: “within thirty days after each quarter,”.

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the bill (S. 1461) to extend certain powers of the President under title III of the Second War Powers Act.

JUNE 26 (legislative day, APRIL 21), 1947

Ordered to lie on the table and to be printed

17. WAR POWERS. H.R. 3647, as passed by the House (see Digest 122) continues in force until January 31, 1948, certain powers under Title III of the Second War Powers Act as follows: Authority for allocation of tin and tin products, except for the purpose of exercising import control of tin ores and concentrates; antimony; and cinchona bark and its derivatives, provided that controls shall not apply to any of said materials now held or hereafter acquired by other than Government agencies. Authority to control such materials for export which are required to expand or maintain the production in foreign countries of materials critically needed in the U.S.; and materials (except food and food products, rice and rice products, manila (abaca) fibre and cordage, and agave fibre and cordage, and nitrogenous fertilizer materials) required for export, upon certification by the State Department that the export of such materials is essential to U.S. foreign policy, provided that the Commerce Department certifies that the action will not be detrimental to U.S. domestic economy. Authority to control imports of fats and oils and imports and export priorities of nitrogenous fertilizer materials. Controls on rice and fibre and cordage would be allowed to expire under the bill on June 30, 1947. The bill does not affect sugar controls under the Sugar Control Extension Act of 1947.

SENATE

18. REMOUNT SERVICE. Sen. Thomas, Okla., submitted an amendment to be proposed to H.R. 3484, which, it is understood, would not transfer the Fort Reno station (p. 7953).
19. REORGANIZATION. Passed without amendment H.R. 775 (pp. 7969-70), which provides for a bi-partisan Commission on Organization of the Executive Branch to (1) investigate the present organization and methods in the departments and agencies and (2) report its recommendations to Congress early in the calendar year 1949. The Commission would be composed of 2 members of the Executive Branch, 2 Senators, 2 Representatives, and 6 persons from private life. The Senate report says, "It is believed that an initial appropriation of \$750,000 will be sufficient to carry the Commission through the major portion of its work." The committee report is very critical of the present organization and operations of the Government. This bill will now be sent to the President.
20. WAR POWERS; EXPORT CONTROL. Passed without amendment S.J. Res. 139, to continue until July 15, 1947, the Export Control Act and the allocation, priority, and export-import control powers presently authorized under the Second War Powers Act (p. 7970).
Began debate on S. 1461, to provide for a limited continuation of allocating and priorities powers under the Second War Powers Act until not after June 30, 1948; continue export-control powers until not after June 30, 1948, but provide for an Administrator of Import and Export Controls in the Executive Office of the President to establish policies and programs and for an advisory committee to include the Secretary of Agriculture (pp. 7954-6).
21. APPROPRIATIONS. Passed S. J. Res. 140, to continue appropriations after June 30, 1947, pending new appropriations (pp. 7971-2). For text of this measure see last page of this Digest.
22. INFORMATION. The Expenditures in the Executive Departments Committee reported with amendments S. 493, to provide for the coordination in the Commerce Department of agencies disseminating technological and scientific information (S. Rept. 395) (p. 7952).
23. COTTON. Sen. Maybank, S.C., submitted a report of the unofficial cotton committee on the Japanese cotton agreement (p. 7953).
24. FOREIGN AFFAIRS. Concurred in the House amendment to S.J. Res. 77, to provide

for U.S. membership and participation in the International Refugee Organization and to authorize an appropriation therefor, (p. 7970-1). This bill will now be sent to the President.

25. PERSONNEL. The Civil Service Committee reported without amendment H. R. 1389, to amend the Veterans' Preference Act by defining the term "active duty", which is required for eligibility under the Act, as "active duty in any branch of the armed forces of the United States" shall mean active full-time duty with military pay and allowances in any branch of the armed forces during any war or in any campaign or expedition (for which a campaign badge has been authorized)" (S.Rept. 396) (p. 7952).
26. PRESIDENTIAL SUCCESSION. Passed as reported S. 564, to provide for succession to the Presidency, which includes the Secretary of Agriculture in the line of succession (pp. 7931-51).
27. RECESSED until Mon., June 30 (p. 7983).

BILLS INTRODUCED

28. TIMBER LANDS. S. 1518, by Sen. Magnuson, Wash., to authorize the Bloedel Donovan Lumber Mills to cut and remove from certain public lands in Snohomish County, Wash., certain timber purchased and paid for by it. To Public Lands Committee. (p. 7952.)
29. FOREIGN AFFAIRS; PURCHASING. H.R. 4019, by Rep. Smith, Wis., to authorize any agency of the U.S. Government to furnish or to procure and furnish materials, supplies, and equipment to public international organizations on a reimbursable basis. To Foreign Affairs Committee. (p. 8016.)

ITEMS IN APPENDIX

30. EXECUTIVE REORGANIZATION. Sen. Maybank, S.C., inserted his statement on Reorganization Plan No. 2, favoring retention of USES in the Labor Department (pp. A3377-8).
31. FOREIGN AFFAIRS. Speech in the House by Rep. Schivner, Kans.; asking how long U.S. relief to foreign countries is to continue (p. A3380).
Rep. Bender, Ohio, inserted an Akron (Ohio) Beacon-Journal editorial, "Aid to Europe? - Yes, but Within Our Means" (p. A3381).
32. ST. LAWRENCE WATERWAY. Rep. Van Zandt, Pa., inserted a Pa. Legislature resolution opposing this project (p. A3386).
33. APPROPRIATIONS. Rep. Monroney, Okla., inserted a Chicago Sun editorial criticizing the "budget-cutting fizzle" (pp. A3392-3).
34. FEDERAL AID TO EDUCATION. Rep. Tibbott, Pa., inserted Dr. B.H. Dinit's (Pa. State Teachers' College) statement opposing Federal aid to education (pp. A3394-6).
35. HOUSING. Rep. Kennedy, Mass., inserted a Suffolk County (Mass.) VFW and Samuel Grafton's article, favoring the Taft-Ellender-Wagner housing bill (pp. A3404, A3406-7).

BILLS APPROVED BY THE PRESIDENT.

36. SECOND DEFICIENCY APPROPRIATION ACT, 1947. H.R. 3791 includes the following

the Navy of certain discretionary powers vested in the President of the United States;

S. 1525. A bill to provide for furnishing transportation for certain Government and other personnel, and for other purposes;

S. 1526. A bill to authorize the Secretary of War to proceed with construction at military installations, and for other purposes;

S. 1527. A bill to authorize the enlistment and appointment of women in the Regular Navy and Marine Corps and the Naval and Marine Corps Reserve, and for other purposes; and

S. 1528. A bill to authorize the Secretary of War and the Secretary of the Navy to accept and use gifts, devises, and bequests for schools, hospitals, libraries, museums, cemeteries, and other institutions under the jurisdiction of the War Department or Navy Department, and for other purposes; to the Committee on Armed Services.

By Mr. LUCAS:

S. 1529. A bill to extend the time for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Ill.; to the Committee on Public Works.

(Mr. WILEY introduced Senate Joint Resolution 139, to continue for a temporary period of 15 days certain controls now exercised by the President under the Second War Powers Act, 1942, and under the Export Control Act, which was passed, and appears under a separate heading.)

(Mr. BRIDGES introduced Senate Joint Resolution 140, to temporarily make available certain appropriations for the fiscal year 1948, which was passed, and appears under a separate heading.)

TRANSFER OF REMOUNT SERVICE FROM WAR DEPARTMENT TO DEPARTMENT OF AGRICULTURE—AMENDMENTS

Mr. THOMAS of Oklahoma submitted amendments intended to be proposed by him to the bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture, which were ordered to lie on the table and to be printed.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS, 1948—AMENDMENT

Mr. GREEN submitted an amendment intended to be proposed by him to the bill (H. R. 3839) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes, which was referred to the Committee on Appropriations, and ordered to be printed, as follows:

On page 48, line 22, to strike out "\$878,040,780" and insert in lieu thereof "\$978,040,780."

INVESTIGATION OF CAUSES OF PETROLEUM RESERVE SHORTAGES

Mr. BREWSTER. Mr. President, I ask unanimous consent to submit for appropriate reference a resolution to investigate the causes of petroleum reserve shortages, and request that a letter addressed to me from Under Secretary of Navy John L. Sullivan, dated June 17, 1947, may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the resolution submitted by the Senator from Maine will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

There being no objection, the resolution (S. Res. 134) was received and

referred to the Committee on Interstate and Foreign Commerce, as follows:

Resolved, That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study into the reasons and circumstances surrounding the apparent failure of transportation facilities to maintain petroleum reserves at adequate levels where needed for civilian and military necessities, and any or all other factors pertinent to the shortages and dislocations of our petroleum reserves. The committee shall report to the Senate at the earliest practicable date the results of its study, together with such recommendations as to necessary legislation as it may deem desirable.

The letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE NAVY,
Washington, June 17, 1947.

Hon. OWEN BREWSTER,
Chairman, Special Committee
To Investigate the National Defense
Program, United States Senate,
Washington, D. C.

DEAR SENATOR BREWSTER: The current shortage of available refined petroleum products in the United States and Caribbean area has created a critical situation. The Navy has experienced difficulty in obtaining fuel to meet the current needs, and as a consequence continental stocks have been reduced to an inadvisably low level. In particular, the reserves on the east coast are inadequate to meet an emergency.

Appropriate action is being taken to improve the Navy stock position in regard to petroleum products with a minimum effect on the civilian supply, which is an equally critical situation. These measures include exploration of the possibility of obtaining additional supplies of Navy Special fuel oil from United States Gulf and Caribbean sources. To date only limited offerings have been made to cover these additional Navy requirements. These offerings fall short of meeting requirements, and in one case have been made on the basis of a premium of 90 cents per barrel above market price. It is considered that this price is excessive, and negotiations are continuing in an endeavor to obtain the quantities required at a reasonable and acceptable price.

The principal source that can be readily exploited to secure the additional quantities required is the Persian Gulf area. The Navy is obtaining 400,000 additional barrels of Navy special fuel oil over and above regular liftings from the Persian Gulf in June. In addition, for the 6 months beginning July 1, 500,000 barrels over and above normal liftings will be purchased each month for a 6-month period. This oil will be purchased at the price of \$1.05 per barrel which is the current prevailing price for oil in that area. These additional quantities of oil, 400,000 barrels in June and 500,000 barrels per month thereafter for 6 months, will be transported to the east coast of the United States. To the extent that Navy oilers can be made available for this lift, this operation will result in Navy fuel oil from the Persian Gulf being laid down on the east coast of the United States at a cost comparable with that which would obtain if the oil were purchased from the United States Gulf or Caribbean sources and transported in chartered tankers. For the remainder, the laid down cost will be somewhat higher than would be the case if the fuel could be obtained from the latter source.

Barring unforeseen heavy drains on east coast stocks of Navy oil, the program described above will, by late fall, lift Navy fuel stocks on the east coast to a position com-

patible with the Navy's obligations for national security.

Sincerely yours,

JOHN L. SULLIVAN.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were each read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 775. An act for the establishment of the Commission on Organization of the executive branch of the Government; and

H. R. 3647. An act to extend certain powers of the President under title III of the Second War Powers Act; ordered to be placed on the calendar.

H. R. 3810. An act to amend section 522 of the Tariff Act of 1930 so as to clarify the procedure in ascertaining the value of foreign currency for customs purposes where there are dual or multiple exchange rates, and for other purposes; to the Committee on Finance.

JAPANESE TEXTILE INDUSTRY

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD a report signed by the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. SPARKMAN], the Senator from California [Mr. KNOWLAND], the Senator from Missouri [Mr. KEM], and myself with reference to the cotton program for the Japanese textile industry.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Under the cotton program for the Japanese textile industry it was agreed sometime ago between the committee appointed by the cotton Senators and the State, War, and Agriculture Departments that 70 percent of the cotton shipped to Japan for consumption by the Japanese textile industry through October 31 of this year would be American-grown cotton. The committee has had a controversy with the War Department in that the committee maintains that the War Department agreed that 70 percent of all cotton shipped to Japan from October 31 to March 1 would be American cotton. Officials of the War Department has denied making such a commitment; however the committee announced today that the Secretary of War and the Secretary of Agriculture have assured them that 70 percent of all cotton shipped to Japan after October 31 would be American cotton provided it were possible for the United States Commercial Company to sell the cotton textiles manufactured in Japan for dollars. The Senators stated that they had implicit confidence in Secretaries Patterson and Anderson and have closed the matter on the basis of 70 percent consumption in Japan of American cotton in the future, provided the Government is able to sell the textiles purchased thereby for enough dollars to pay for the cotton.

JAMES O. EASTLAND.
BURNET R. MAYBANK.
JOHN SPARKMAN.
WILLIAM F. KNOWLAND.
JAMES P. KEM.

THIRTY-FIFTH GRADUATING CLASS OF THE FEDERAL BUREAU OF INVESTIGATION—ADDRESS BY SENATOR WILEY

[Mr. CAIN asked and obtained leave to have printed in the RECORD an address delivered by Senator WILEY on June 27, 1947, to the thirty-fifth graduating class of the Federal Bureau of Investigation, which appears in the Appendix.]

THE COURIER AND HIS CREED—ARTICLE BY REV. PIERCE HARRIS

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "The Courier and His Creed," by Rev. Pierce Harris, pastor of the First Methodist Church, Atlanta, Ga., which appears in the Appendix.]

UNITED STATES EMPLOYMENT SERVICE— STATEMENT BY SENATOR MAYBANK

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD a statement prepared by him in connection with Reorganization Plan No. 2, relating particularly to the retention of the United States Employment Service in the Department of Labor, which appears in the Appendix.]

THE FOREIGN POLICY OF THE UNITED STATES—ADDRESS BY HON. ALF M. LONDON

[Mr. CAPPER asked and obtained leave to have inserted in the RECORD an address on foreign policy, by Hon. Alf M. London, delivered at the tenth annual banquet of the Junior Chamber of Commerce, at Philadelphia, Pa., June 26, 1947, which appears in the Appendix.]

HENRY CLAY AS AN AMERICAN SYMBOL— ADDRESS BY DR. LUIS GONZALES BARROS

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "Henry Clay as an American Symbol," delivered by Dr. Luis Gonzales Barros, first officer of the Diplomatic Department of the Colombian Foreign Office, at the opening of the Third Annual Institute on the United States in World Affairs, at American University, which appears in the Appendix.]

NEED HIM WHERE HE IS—EDITORIAL FROM THE MEMPHIS COMMERCIAL APPEAL

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "Need Him Where He Is," published in the June 13, 1947, issue of the Commercial Appeal, of Memphis, Tenn., which appears in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 350) to continue the Commodity Credit Corporation as an agency of the United States until June 30, 1948.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 135) to extend the succession, lending powers, and the functions of the Reconstruction Finance Corporation.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H. R. 3303. An act to stimulate volunteer enlistments in the Regular Military Establishment of the United States; and

S. J. Res. 125. Joint resolution to strengthen the common defense and to meet industrial needs for tin by providing for the maintenance of a domestic tin-smelting industry.

EXTENSION OF CERTAIN POWERS OF THE PRESIDENT UNDER TITLE III OF THE SECOND WAR POWERS ACT

Mr. WILEY. Mr. President, I move that the Senate proceed to the consideration of the Senate bill 1461, calendar No. 347, a bill to extend certain powers of the President under title III of the Second War Powers Act.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Wisconsin.

Mr. TAFT. Mr. President, there is one matter before the Senate, the disposition of Reorganization Plan No. 2, which under the rules must be acted upon by Monday evening. The House has agreed to a concurrent resolution disapproving Reorganization Plan No. 2. The concurrent resolution, House Concurrent Resolution 49, was reported from the Committee on Labor and Education adversely, that is, a majority of the members of the Committee on Labor and Education recommended in favor of adopting the President's plan. However, there is a difference of opinion, I think, both on the Republican side and on the Democratic side—it is not a party matter in any way—and I should like, if possible, to reach some unanimous-consent agreement to debate the plan and dispose of it on Monday so that we may not have to meet on Saturday for the purpose of considering it. Debate is limited to not exceed 10 hours. If we cannot reach a unanimous-consent agreement, we will have to meet tomorrow in order to give opportunity for 10 hours of debate.

Therefore, Mr. President, I now ask unanimous consent that at 2:30 o'clock on Monday next the Senate set aside the unfinished business and proceed to the consideration of the concurrent resolution disapproving Reorganization Plan No. 2, and that the time on the concurrent resolution be divided equally between the Senator from Minnesota [Mr. BALL] and the Senator from Missouri [Mr. DONNELL]—they are on opposing sides of the question—and that at 5 o'clock on Monday afternoon the Senate proceed to vote on the concurrent resolution.

The concurrent resolution is reported, but it is reported adversely. The committee felt, however, that under the reorganization law it was its duty to lay the matter before the Senate and not default upon it. It is certainly within the spirit of the act that the Senate also vote upon that question before the expiration of the time.

The PRESIDENT pro tempore. Is there objection to the request submitted by the Senator from Ohio?

Mr. MORSE. Mr. President, reserving the right to object, I wish to make a brief comment, not so much because of this particular request, but because of my general objections to the entire procedure of unanimous consent requests. I shall have specific data available to the Senate by Tuesday, because I have asked the Legislative Reference Bureau to prepare data for me, based upon a study and compilation of unanimous-consent agreements for the past 10 years, both

as to the number of such agreements that have been requested in the Senate of the United States and the number which have in fact been entered into.

The preliminary study indicates very clearly, Mr. President, that in this particular session of the Senate we have had more unanimous-consent requests made and granted than for several years combined. I think it is a practice which is subject to grave and serious abuse, and I think we need to pause and reevaluate the desirability of the practice.

Mr. President, we had an excellent example last Friday, it seems to me, of the type of abuse that can develop under our unanimous-consent rule. Last Friday some of us in the minority made a reasonable request to have a final vote on the Taft-Hartley bill go over from Saturday at 5 o'clock until Monday at 3 o'clock. However a dominant majority insisted that we either assent to a unanimous-consent request to vote on Saturday at 5 p. m. or start talking. Some of us felt that there was a very important principle at stake, namely, that of protecting minority rights under the unanimous-consent rule. Disliking, as many of us do, the filibuster as a technique, nevertheless, when a dominant majority takes a position, as it clearly took last Friday, that we either must accept their request for a unanimous consent to vote at an hour certain, or we would be forced into an all-night session and we would be forced to filibuster until Monday at 3 o'clock, we felt that the time had come to call a halt to such domineering tactics on the part of the majority. We thought the time had come to make perfectly clear that some of us at least would rise up here and protect our minority rights in the Senate, because, Mr. President, minority rights under the unanimous-consent rule become meaningless if the minority is to be put in the position by a majority that it either must accept the demand of the majority when it makes a unanimous-consent request or adopt filibustering techniques in order to protect its minority rights. If the majority is ever allowed to get by with such an assault upon minority rights then the unanimous-consent rule ceases to afford any protection to any Senator.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. MORSE. I will not yield, Mr. President.

I think the time has come for us to review this whole trend in this Congress of these frequent requests for unanimous consent to limit debate. I think I have made clear over the last 2 years how I feel about that practice as a matter of sound procedure. I know that there is great pressure to adjourn the Senate on July 26. I, of course, do not share the view that we ought to adjourn on July 26, and I am not going to stand here and be pressured into going along with a practice of having frequent unanimous consent agreements to vote as of a certain hour in order to adjourn on July 26. I think the business that is confronting Congress and the problems that are confronting the Nation are of so serious an import that we should not

even think about adjourning on July 26. We ought to stay on through August and September, if necessary, and after due deliberation and debate dispose of all important problems which are facing the country which can be handled by legislation. We are being paid well, Mr. President, as Members of the Congress, to stay on through the summer months. We are not an underpaid group of men. I think the people of the country have a right to expect us to stay here and transact national business in their interest until the fall.

I dislike to be constantly placed in the position where I feel an objection to a unanimous consent agreement must be made, and certainly here is one, Mr. President, in regard to which I do not think the issue is of such vital importance that the request should be expressed.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. MORSE. I will be through in just a sentence or two.

What I wish to say is that I shall continue to object to these unanimous consent requests because I think the rights of the minority in this body are too frequently jeopardized by them. We are constantly being embarrassed by them because there is always an attempt made to misrepresent our position on the merits of the principle involved. We object to them as a matter of principle. However, we know that our objections to these frequent unanimous-consent requests place us in the position of being looked upon as uncooperative and constitutional dissenters. I do not like to be placed in that position. Nevertheless, I am going to keep right on protesting these requests in the interest of protecting minority rights in the Senate. I think the Republican majority should stop its tendency of forcing upon the Senate by indirection a limitation of debate rule in the Senate by way of abusing the unanimous-consent rule.

If the unanimous-consent rule is to mean anything, then each Member of this body should feel free to exercise his rights under that rule without being placed in the position in which I was placed last Friday. The result was that there was the grossest type of misrepresentation on the part of some segments of the press of the country as to the principle for which I was fighting. The majority forced that filibuster because of its clear abuse of the unanimous consent rule.

Mr. President, I hope that these remarks will make clear and certain to my Republican colleagues that it will have to be an exceptional case indeed before they can ever obtain my consent to such unanimous consent requests to limit debate. As to the one which the Senator from Ohio [Mr. TAFT] now submits—I object.

Mr. TAFT. Mr. President, will the Senator withhold his objection for a moment?

Mr. MORSE. Certainly.

Mr. TAFT. Mr. President, I only wish to place before the Senate the fact that

this is an extraordinary case. This is a peculiar matter, governed by peculiar rules. There is no freedom of debate on the subject. The Reorganization Act itself involves a very peculiar procedure. The act provides that a motion to proceed to the consideration of such a resolution—

shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(b) Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable.

Here we have a cloture rule imposed by statute. No minority right is being violated by the unanimous-consent agreement. Even the suggestion for 2½ hours of debate could be cut off by a motion to proceed to vote immediately. The unanimous-consent request is for the convenience of the Senate itself, in view of the fact that we felt that the whole subject could be adequately presented in 2½ hours. If the Senator believes that a longer time should be allowed, that may be done.

Without raising any question about the validity of the argument of the Senator as applied to the ordinary case, it does not apply in this case, because in this case there is cloture, and we could proceed to terminate debate at any time. So I ask the Senator if, purely as a matter of convenience to the Senate, and to avoid a Saturday session, he would not be willing to agree to let the Senate take this question up in an orderly way on Monday and dispose of it by 5 o'clock Monday evening.

Let me say, further, that the ordinary rule regarding a quorum call does not apply, because this is a concurrent resolution, to which the rule does not apply. We have just had a vote, at which there was a full attendance of Senators, so it seems to me that the spirit of the rule is complied with, even though there is no letter of the rule to be followed.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MORSE. In connection with the statement made by the Senator from Ohio, I ask the Chair whether or not, in view of what the Senator has stated, a unanimous-consent agreement is necessary at all.

The PRESIDENT pro tempore. It is necessary if there is to be agreement within the 10-hour limit.

Mr. KILGORE. Mr. President, as I understand the present legislative situation, the distinguished Senator from Wisconsin [Mr. WILEY] has made a motion for the immediate consideration of Senate bill 1461.

The PRESIDENT pro tempore. The Senator is correct.

Mr. KILGORE. That happens to be a bill in which I am vitally interested, as are other Senators. It seems to me that

the unanimous-consent agreement in question is a method of getting around the present law, in a way, by permitting us to take up for consideration on Monday Senate bill 1461, on which I shall have a few remarks to make, and then to limit debate to 2½ or 3 hours on the concurrent resolution. I ask the Senator from Oregon if that is not his interpretation. I do not object to working on Saturday or any other time; but I do not wish to have two bills intervening.

There are two proposals before us. First, there is the motion to proceed to the consideration of a certain bill. Secondly, we have a unanimous-consent request to suspend consideration of that bill at a certain hour, and, at another hour, to vote without further debate upon a concurrent resolution. I think that makes it rather difficult for some of us who would like to take a few minutes to discuss a certain bill.

The PRESIDENT pro tempore. The Chair will say that there is nothing unprecedented about the suggested procedure. Frequently it is the practice of the Senate to set aside the unfinished business for a special purpose or for the consideration of privileged matters. That is all that is involved in the request of the Senator from Ohio, except that his request involves a postponement until Monday.

Mr. KILGORE. Mr. President, I object to the unanimous-consent request.

Mr. TAFT. Mr. President, I shall not oppose the motion of the Senator from Wisconsin [Mr. WILEY]; but the privileged motion regarding the other measure will have to be made the first thing tomorrow, and the Senate must meet on Saturday.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. Assuming that the motion of the Senator from Wisconsin shall be agreed to and that we proceed to the consideration of Senate bill 1461, and assuming that consideration of the bill is not concluded today, would it be in order, in view of the privileged character of the motion to consider the reorganization plan, to move either tomorrow or Monday to proceed to consider the concurrent resolution?

The PRESIDENT pro tempore. It not only can be done, but it is directly authorized by the act.

The question is on agreeing to the motion of the Senator from Wisconsin [Mr. WILEY] to proceed to the consideration of Senate bill 1461.

Mr. GURNEY. Mr. President, I have felt all along that on Monday next we would proceed to the consideration of the bill for the unification of the armed forces. I am now advised that a privileged matter in connection with a reorganization plan, and one or two appropriation bills, must intervene because of certain dead lines. I am also advised that it is the intention of the majority to proceed to the consideration of the unification bill on Wednesday of next week, without specifying any definite time.

I make this announcement because I know, in view of the announcements which I have previously made that we would probably consider the bill on Monday, that there will be inquiries of me as to when we are really to consider it. Therefore I hope that no other matters will delay consideration of the bill later than Wednesday of next week.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Wisconsin [Mr. WILEY] to proceed to the consideration of Senate bill 1461.

Mr. LUCAS. Mr. President, may I inquire of the Chair whether or not it is possible for the motion to be made to take up the concurrent resolution disapproving the reorganization bill, even though this motion might be pending and being debated?

The PRESIDENT pro tempore. It is in order at any time.

Mr. LUCAS. In other words, the Senator from Ohio can make the motion now if he so desires.

The PRESIDENT pro tempore. The Senator is correct.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MORSE. I ask the Chair if the Chair is under the impression that the Senator from Oregon objected to the unanimous-consent request of the Senator from Ohio, or whether the Chair understands that the Senator from Oregon withheld his objection at the request of the Senator from Ohio.

The PRESIDENT pro tempore. The Chair understands that the Senator from Oregon withheld his objection.

Mr. MORSE. Who did finally object?

The PRESIDENT pro tempore. The Senator from West Virginia [Mr. KILGORE].

The question is on agreeing to the motion of the Senator from Wisconsin [Mr. WILEY] that the Senate proceed to the consideration of Senate bill 1461.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (S. 1461) to extend certain powers of the President under title III of the Second War Powers Act, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause, and insert:

That this act shall be cited as the "Second Decontrol Act of 1947."

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the general policy of the United States to eliminate emergency wartime controls of materials except to the minimum extent necessary (1) to protect the domestic economy from the injury which would result from adverse distribution of materials which continue in short world supply; (2) to promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States; (3) to make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate; and (4) to aid in carrying out the foreign policy of the United States.

TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

SEC. 3. To effectuate the policies set forth in section 2 hereof, title XV, section 1501, of the Second War Powers Act, 1942, approved March 27, 1942, as amended, is amended to read as follows:

"Sec. 1501. (a) Except as otherwise provided by statute enacted during the Eightieth Congress (including the First Decontrol Act of 1947) and except as otherwise provided by subsection (b) of this section, titles I, II, III, IV, V, VII, and XIV of this act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947. After the amendments made by any such title cease to be in force, any provisions of law amended thereby (except subsection (a) of section 2 of the act 'An act to expedite national defense, and for other purposes,' approved June 28, 1940, as amended) shall be in full force and effect as though this act had not been enacted.

"(b) Title III of this act and the amendments to existing law made by such title shall remain in force only until June 30, 1948, for the exercise of the powers, authority, and discretion thereby conferred on the President, but limited to the materials, and to facilities suitable for the manufacture of such materials, as follows:

"(1) Tin and tin products (but not including import control of tin ores and tin concentrates);

"(2) Manilla (abaca) fiber and cordage, and agave fiber and cordage;

"(3) Antimony;

"(4) Such materials for export which are required to expand or maintain the production in foreign countries of materials critically needed in the United States for the purpose of establishing priority in production and delivery for export, and such materials which are necessary for manufacture and delivery of the materials required for such export;

"(5) Fats and oils (including oil-bearing materials, fatty acids, butter, soap and soap powder, but excluding petroleum and petroleum products) and rice and rice products, for the purpose of exercising import control; and nitrogenous fertilizer materials for the purposes of exercising import control and of establishing priority in production and delivery for export;

"(6) Materials (except foods and food products and fertilizer materials) required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to the successful carrying out of the foreign policy of the United States, for the purpose of establishing priority in production and delivery for export, and such materials as may be necessary for the manufacture and delivery of the materials required for such export.

"(c) Notwithstanding the extension to June 30, 1948, made by subsection (b), the Congress by concurrent resolution or the President may designate an earlier time for the termination of any power, authority, or discretion under such title III. Nothing in subsection (b) shall be construed to continue any authority under paragraph (1) of subsection (a) of section 2 of the act entitled 'An act to expedite national defense, and for other purposes,' approved June 28, 1940, as amended, to negotiate contracts with or without advertising or competitive bidding; and nothing contained in this section, as amended, shall affect the authority conferred by Public Law 24, Eightieth Congress, approved March 29, 1947, or the Sugar Control Extension Act of 1947, or be construed to continue beyond June 30, 1947, any authority with respect to the use of transportation equipment and facilities by rail carriers."

TEMPORARY EXTENSION OF CERTAIN EXPORT CONTROLS

SEC. 4. To effectuate the policy set forth in section 2 hereof, section 6 (d) of the act of July 2, 1940 (54 Stat. 714), as amended is amended to read as follows:

"(d) The authority granted by this section shall terminate on June 30, 1948, or any prior date which the Congress by concurrent resolution or the President may designate."

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 5. The functions exercised under title III of the Second War Powers Act, 1942, as amended (including the amendments to existing law made by such title), and the functions exercised under such act of July 2, 1940, as amended, shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of sections 3 and 10 thereof.

ADMINISTRATOR OF IMPORT AND EXPORT CONTROLS

SEC. 6. (a) There is hereby established in the Executive Office of the President an Administrator of Import and Export Controls (hereinafter called the "Administrator"), who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$15,000 per annum. The Administrator is authorized to appoint such officers and employees as may be necessary to enable him to perform his duties.

(b) The Administrator, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this act, and to exercise over-all control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended, and the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended. The Administrator is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by this section.

(c) The Administrator shall make a quarterly report to the President and to the Congress of his operations under the authority conferred on him by this section. Each such report shall contain a determination by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such acts, allocations, and priorities under the Second War Powers Act, 1942, as amended, and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended.

(d) The President is authorized to appoint an advisory committee consisting of the Secretaries of State, War, Agriculture, Interior, and Commerce to advise the Director in the performance of his duties.

PERSONNEL

SEC. 7. Notwithstanding any other law to the contrary, personnel engaged in the performance of duties related to functions, powers, and duties delegated by the President under the Second War Powers Act of 1942, as amended, and the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as

amended, and whose employment was terminated, or who were furloughed, in June 1947, may be reemployed to perform duties in connection with the functions, powers, and duties extended by this act.

APPROPRIATIONS

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this act.

EFFECTIVE DATE

SEC. 9. This act shall take effect on July 1, 1947.

DISTRICT OF COLUMBIA TEACHERS' SALARIES—CONFERENCE REPORT

Mr. CAIN submitted the following report:

DISTRICT OF COLUMBIA TEACHERS' SALARY ACT OF 1947

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3611) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same.

HARRY P. CAIN,
RALPH E. FLANDERS,
J. HOWARD McGRATH
(by H. C.),

Managers on the Part of the Senate.

EVERETT M. DIRKSEN,
GEORGE J. BATES,
JOS. P. O'HARA,
JNO. L. McMILLAN,
HOWARD W. SMITH,

Managers on the Part of the House.

Mr. CAIN. Mr. President, I ask unanimous consent for the present consideration of the conference report.

There being no objection, the report was considered and agreed to.

TREASURY AND POST OFFICE DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. CORDON submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2436) making appropriations for the Treasury and Post Office Departments, for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 13, and 18.

The the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 7, 8, 10, 11, 12, 16, 23, 28, and 29, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$200,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$32,825,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amend-

ment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$188,000,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$100,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$72,000,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,115,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$910,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,332,500"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$712,500"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$32,925,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$487,400,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,800,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$13,257,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 6 and 17.

GUY CORDON,
CLYDE M. REED,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
KENNETH McKELLAR,

Managers on the Part of the Senate.

GORDON CANFIELD,
P. W. GRIFFITHS,
CHARLES R. ROBERTSON,
J. VAUGHAN GARY,
JOE B. BATES,
JAMIE L. WHITTEN,

Managers on the Part of the House.

Mr. CORDON. Mr. President, I ask unanimous consent for the present consideration of the conference report.

There being no objection, the Senate proceeded to consider the report.

Mr. GEORGE. Mr. President, I should like to ask a question about the conference report. I should like to inquire of the Senator from Oregon the amount of money carried in the bill for the Treasury Department. The Senator will recall that the House cut the amount recommended by the Budget by approximately \$30,000,000, and that the Senate increased the amount by \$25,000,000. I should like to inquire of the Senator from Oregon what amount is now carried in the bill for the Treasury Department.

Mr. CORDON. Mr. President, in answer to the question of the senior Senator from Georgia I will say that the item to which he refers, I am sure, is the item in the Treasury Department budget relating to the Bureau of Internal Revenue, and the total amount requested by the Department was \$208,000,000. The House allowed \$178,000,000; the Senate increased that by \$25,000,000 to \$203,000,000, and in the conference the figure was reduced by \$15,000,000, resulting in a conference recommendation of \$188,000,000, or \$10,000,000 more than the House allowed, and \$15,000,000 less than the amount provided for in the Senate amendment.

Mr. GEORGE. Fifteen million dollars less than contained in the Senate amendment?

Mr. CORDON. Exactly.

Mr. GEORGE. So that the force employed in the field and in the various offices throughout the country to collect revenues would be reduced to that extent?

Mr. CORDON. Assuming the approval of the conference report, how the cut will be allocated, Mr. President, I cannot anticipate. That is a matter wholly within the control of the Treasury Department.

I want to be perfectly frank with the Senator from Georgia, and I want to say at this time, Mr. President, that the last action taken by the conferees on the Senate side was on this particular item. Had there been any hope of any better agreement on it, I am sure the conferees would have continued for practically any period of time. It was not a satisfactory figure that was reached, but it was the best figure that could be reached in the conference, and we felt that it was better to reach a figure and get agreement than to return in disagreement to both Houses.

But the information which I have from the Treasury is that it will be most difficult to make the reduction, which is a 10-percent reduction over-all in the estimate for this year in that division of the Treasury. The officials say that it will be most difficult to allocate that reduction in any level manner throughout the activities of the Bureau of Internal Revenue; that it will be necessary to allocate more of the cut to the reduction of enforcement officers than to clerical help. Some of those who were in the conference, particularly those on the House side, disputed that statement very vigorously. The House presented a picture

of more or less inefficiency throughout the Treasury Department and expressed the strong belief that the cut could be taken up without seriously affecting the so-called enforcement officers who are the inspectors and deputy collectors in the field.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. GEORGE. I sincerely hope that is true; but it requires many men in any department to open envelopes, take out checks, and make entries. In other words, the clerical force which is necessary inside of the office cannot be very greatly reduced. This reduction in appropriation will undoubtedly result in the displacement of some 5,000 to 10,000 employees. I would say 5,000 is the minimum of collectors in the field, the people who are responsible for the collection of our taxes.

I am sure the Senator from Oregon has insisted all the while upon the Senate amendment. That is generally known; and I compliment and congratulate him. But actually this reduction will result in a loss of certainly not less than \$300,000,000 in tax collections in the next 2 years. For this reason everyone who is familiar with the Treasury and with the Bureau of Internal Revenue knows that the checking of the returns for 1944 and 1945 is still to be made. It is within those years that large amounts are involved. If there should be a loss because of a lack of sufficient personnel in the field of only 1 percent, that 1 percent itself, in view of the very large amount of taxes involved, would mean a loss to the Treasury Department of at least \$300,000,000.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. GEORGE. I had risen only to ask the Senator about that feature of the bill.

Mr. CORDON. Mr. President, if the Senator from Arkansas will wait a moment, I shall be glad to yield.

Mr. McCLELLAN. I was about to offer some information which the Senator may not have in mind, in connection with what the able Senator from Georgia had pointed out.

Mr. CORDON. I shall be glad to yield to the able Senator from Arkansas for that purpose.

Mr. McCLELLAN. In line with what the able Senator from Georgia said, orders have already gone out from the Bureau of Internal Revenue to the State revenue collectors to remove from the pay roll 2,100 persons between now and the 30th of June. In my State that means that out of 87 field collectors 31 are being removed from the service. I want to say that if this is going to be the policy and procedure with respect to tax collections, it will be simply impossible to do the work and will simply mean that we are saving pennies and losing hundred-dollar bills.

Mr. CORDON. Mr. President, I can reassure the Senator from Arkansas to this extent: The Treasury officials withheld the sending of notices of termination to anyone just as long as possible in the hope that there could be agreement and definite knowledge with reference to

the amount that would finally be evolved as the appropriation for 1948. However, the Under Secretary called the Senator from Oregon 3 days ago and advised him that it was impossible for them to withhold those notices any longer, as they must be received by the proposed recipients by the first of the fiscal year.

It was suggested on the part of the Senator from Oregon and the chairman of the conference committee of the Senate that the step should be taken, because there appeared at the time to be no hope of the conference reaching any figure above that set by the House. So the notices went out, and I am quite sure they were based upon the proposition that the figures set by the House represent the amount by which the Treasury will be bound for the fiscal year.

Mr. McCLELLAN. Does the Senator mean, set by the House or by the conference?

Mr. CORDON. By the House. At that time the conference figure was not known.

Mr. McCLELLAN. I am advised, if the Senator will permit me, that the notices were sent yesterday after the Treasury Department was informed that the conferees had agreed. The notices did not go out until yesterday afternoon, after the Treasury Department had knowledge of what the conference report contained.

Mr. CORDON. The notices were sent. I was advised that the notices would be sent predicated upon the figure in the House bill as it passed the House.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CORDON. I shall be glad to yield to the Senator from Illinois.

Mr. LUCAS. The Senator from Oregon is one of the able, industrious Senators in this body, and I presume he is completely familiar with what the evidence disclosed before his committee with respect to what these men could do in the way of collecting money from the taxpayers if they were kept on the pay roll. In view of the statement made by the distinguished Senator from Georgia [Mr. GEORGE] I should like to ask whether or not the Senator agrees with the statement that we could collect, by appropriating \$15,000,000, the sum of not less than \$300,000,000 from delinquent taxpayers throughout the Nation.

Mr. CORDON. Mr. President, the Senator from Oregon can express no opinion on that subject, because it would depend upon the class of individuals who are employed and upon the work upon which they are engaged, and it would depend on whether an adequate number were doing that particular work.

Mr. LUCAS. What does the evidence show along that line?

Mr. CORDON. I want to say to the Senator from Illinois that I appreciate his references to the Senator from Oregon. The Senator from Oregon has endeavored, to the extent of his limited ability, to go into this matter in meticulous detail, and has called the officials of the Treasury back on two different occasions for break-downs in figures, not only to make the case before the Senate committee but before the conference committee.

The figures which were presented for a break-down in respect to the inspectors and the revenue agents show one group making collections and another group making recommendations for additional assessments. The break-down included the group of those who had returned nothing for the year, the group of those who had returned up to \$1,000, and so forth, for the entire number. There was one group that did not even make a dent in paying its own way. There was another group, composed of a considerable number of persons, that broke even; in other words, it brought in about what it was being paid in the way of salaries. But the majority returned a collection which would represent, if the groups were combined, approximately \$24 in money as a return for every dollar that was spent in salaries.

Mr. LUCAS. Mr. President, in view of that very candid statement by my distinguished friend the Senator from Oregon, I do not understand how the conferees on the part of the Senate could give way to the conferees on the part of the House in a matter of that kind, when the Senator from Oregon apparently believed, when he took this matter to conference, that for every dollar spent, it would be possible to obtain \$24 in paid taxes for the Treasury of the United States.

Mr. CORDON. Mr. President, the Senator from Illinois is now combining two situations which existed. He has asked about enforcement officers, and that is one thing. But in considering the appropriation for the Bureau of Internal Revenue, we consider everything, from the salary of the Commissioner of Internal Revenue on down to the salary of whoever may be acting as janitor in a collector's office anywhere in the United States. That figure takes in all. The Senator from Illinois has inquired about one group, the total payment to which amounts to approximately \$36,000,000 overall.

Mr. LUCAS. Perhaps I misunderstood the able Senator from Oregon. Let me say that apparently the Appropriations Committee found some good reason, as a result of the evidence which was presented before it, to vote in favor of restoring, not \$1,000,000, but millions of dollars to this particular agency for the purpose of having it collect delinquent taxes throughout the Nation.

Now it is apparent that the conferees on the part of the House simply outtalked the conferees on the part of the Senate, and that seems to be what is going on in practically all the conferences. Even at this late date we cannot get a report on the Budget, because apparently the conferees on the part of the House are outtalking the conferees on the part of the Senate on that subject, also.

It seems to me that after able Senators have heard the evidence and have voted to increase the appropriation by millions of dollars, on the theory that millions upon millions of dollars will be collected from income taxpayers, if the Senate conferees then return from the conference committee and say that the conferees on the part of the House showed figures which the Senators did not know

Calendar No. 409

80TH CONGRESS
1ST SESSION

H. R. 3647

IN THE SENATE OF THE UNITED STATES

JUNE 27 (legislative day, APRIL 21), 1947

Read twice and ordered to be placed on the calendar

AN ACT

To extend certain powers of the President under title III of the
Second War Powers Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 FINDINGS OF FACT AND DECLARATION OF POLICY

4 SECTION 1. (a) Certain materials and facilities con-
5 tinue in short supply at home and abroad as a result of the
6 war. The continued exercise of certain limited emergency
7 powers is required to complete the orderly reconversion of
8 the domestic economy from a wartime to a peacetime basis,
9 to protect the health, safety, and welfare of the American
10 people, and to support the foreign policy of the United
11 States.

1 (b) It is the general policy of the United States to con-
2 tinue emergency wartime controls of materials only to the
3 minimum extent necessary (1) to protect the domestic
4 economy from the injury which would result from adverse
5 distribution of materials which continue in short world sup-
6 ply; (2) to promote production in the United States by
7 assisting in the expansion and maintenance of production
8 in foreign countries of materials critically needed in the
9 United States; and (3) to aid in carrying out the foreign
10 policy of the United States.

11 TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

12 SEC. 2. To effectuate the policies set forth in section 1
13 hereof, title XV, section 1501, of the Second War Powers
14 Act, 1942, approved March 27, 1942, as amended, is
15 amended to read as follows:

16 “SEC. 1501. (a) Except as otherwise provided by stat-
17 ute enacted during the first session of the Eightieth Congress
18 and except as otherwise provided by subsection (b) of this
19 section, titles I, II, III, IV, V, VII, and XIV of this Act
20 and the amendments to existing law made by such titles shall
21 remain in force only until March 31, 1947. After the amend-
22 ments made by any such title cease to be in force, any pro-
23 visions of law amended thereby (except subsection (a) of
24 section 2 of the Act entitled ‘An Act to expedite national
25 defense, and for other purposes’, approved June 28, 1940,

1 as amended by the Act of May 31, 1941) shall be in full
2 force and effect as though this Act had not been enacted.

3 “(b) Title III of this Act and the amendments to exist-
4 ing law made by such title shall remain in force only until
5 January 31, 1948, for the exercise of the powers, authority,
6 and discretion thereby conferred on the President, but
7 limited to the following materials, and to facilities suitable
8 for the manufacture of such materials:

9 “(1) Tin and tin products, except for the purpose
10 of exercising import control of tin ores and tin
11 concentrates;

12 “(2) Antimony;

13 “(3) Cinchona bark, quinine, and quinidine:

14 *Provided*, That controls shall not apply to any of
15 said materials now held or hereafter acquired by other
16 than Government agencies;

17 “(4) Such materials for export which are required
18 to expand or maintain the production in foreign coun-
19 tries of materials critically needed in the United
20 States, for the purpose of establishing priority in produc-
21 tion and delivery for export, and such materials which
22 are necessary for manufacture and delivery of the
23 materials required for such export;

24 “(5) Fats and oils (including oil-bearing materials,
25 fatty acids, butter, soap, and soap powder, but excluding

1 petroleum and petroleum products) for the purpose of
2 exercising import control, and nitrogenous fertilizer
3 materials for the purposes of exercising import control
4 and of establishing priority in production and delivery
5 for export;

6 “(6) Materials, (except food and food products,
7 rice and rice products, manila (abaca) fiber and cor-
8 dage, and agave fiber and cordage, and nitrogenous
9 fertilizer materials), including petroleum and petroleum
10 products, required for export, but only upon certification
11 by the Secretary of State that the prompt export of such
12 materials is of high public importance and essential to
13 successful carrying out of the foreign policy of the United
14 States, for the purpose of establishing priority in pro-
15 duction and delivery for export, and such materials as
16 may be necessary for the manufacture and delivery of
17 the materials required for such export: *Provided*, That
18 no such certification by the Secretary of State shall be
19 effective unless and until the Secretary of Commerce
20 shall certify that the proposed action will not be detri-
21 mental to the domestic economy of the United States;
22 *Provided further*, That, notwithstanding the extension to
23 January 31, 1948, made by this subsection, the two Houses
24 of Congress by concurrent resolution or the President may
25 designate an earlier time for the termination of any power,

1 authority or discretion under such title III: *Provided fur-*
2 *ther*, That nothing in this subsection (b) shall be construed
3 to continue beyond March 31, 1947, any authority under
4 paragraph (1) of subsection (a) of section 2 of the Act
5 entitled 'An Act to expedite national defense and for other
6 purposes', approved June 28, 1940, as amended, to negoti-
7 ate contracts with or without advertising or competitive
8 bidding: *Provided further*, That nothing contained herein
9 shall affect the authority conferred by Public Law 24,
10 Eightieth Congress, approved March 29, 1947, or the Sugar
11 Control Extension Act of 1947.

12 " (c) The functions exercised under title III of this
13 Act and the amendments to existing law made by such title,
14 shall be excluded from the operation of the Administrative
15 Procedure Act, except as to the requirements of section 3
16 of that Act."

Passed the House of Representatives June 26, 1947.

Attest:

JOHN ANDREWS,

Clerk.

80TH CONGRESS
1ST SESSION

H. R. 3647

AN ACT

To extend certain powers of the President under
title III of the Second War Powers Act.

JUNE 27 (legislative day, APRIL 21), 1947

Read twice and ordered to be placed on the calendar

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Division of Legislative Reports
(For Department staff only)

Issued July 1, 1947
For actions of June 30, 1947
80th-1st, No. 124

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HIGHLIGHTS: House passed bill providing funds for foot-and-mouth disease and Sugar Rationing Adm. in July; Reps. Cannon and Dirksen debated "delays" in passing appropriation bills. Sen. Wherry moved to reconsider appropriation-continuation measure previously passed by Senate. House passed and President approved measure to continue export-control, allocations, and priorities powers until July 15, 1947. Senate received budget amendment for peanut quotas. House passed Hawaii statehood bill. Sen. Bushfield opposed "curtailing useful services to the American farmer" through USDA appropriation reductions. Senate disapproved Reorganization Plan 2 (re USES), which would authorize coordination of certain laws on Government contracts. Sens. Flanders and Baldwin introduced and included statement on bill to increase pay of department heads, etc. Sen. Wiley introduced and discussed measure for investigation of possible decentralization of USDA. Rep. Phillips introduced Foreign Agricultural Service bill.

HOUSE

- 1. APPROPRIATIONS.** Passed without amendment H. R. 4031, to provide emergency appropriations for various projects until the regular appropriation bills are passed (pp. 8084-9). Among these items are: Foot-and-mouth disease, \$5,000,000 for July 1947; Sugar Rationing Administration, \$750,000 for July 1947, \$400,000 of which would be available exclusively for terminal leave; and Office of Government Reports, authorization for expenditures at the same rate as 1947 pending passage of the independent offices bill. During the debate Rep. Cannon charged delays in considering the regular appropriation bills, discussing the Legislative-Budget and investigators, and Rep. Dirksen defended the Committee against these charges.
- 2. WAR POWERS.** Passed without amendment S. J. Res. 139, to continue existing export-control, allocations, and priorities powers until July 15, 1947 (pp. 8066-7). This measure later approved by the President.
- 3. HAWAII STATEHOOD.** Passed as reported H. R. 49, to provide for statehood for Hawaii (pp. 8077-84, 8089-102).
- 4. FOREIGN RELIEF.** Both Houses adopted a concurrent resolution "correcting certain clerical errors" in S. J. Res. 77, to provide for U. S. participation in the International Refugee Organization (pp. 8066, 8017).

5. FOREIGN RELIEF. Passed without amendment S. J. Res. 124, to authorize appropriation of \$2,370,000 of unobligated UNRRA appropriations to provide for necessary administrative expenses of U. S. departments and agencies incident to UNRRA liquidation (p. 8102). This measure will now be sent to the President.
6. HOUSING. Both Houses received the President's message announcing signature of, but objecting to, H. R. 3203, the rent-control bill (pp. 8075-7, 8064).
7. CLAIMS. The Judiciary Committee reported with amendments H. R. 3690, to amend the Federal Tort Claims Act, regarding death statutes and decisions in Ala. and Mass. (H. Rept. 748).
This Committee also reported with amendment H. R. 1810, to permit certain bankruptcy referees to prosecute claims against the Government before the courts and the executive departments and agencies (H. Rept. 747) (p. 8125).
8. CREDIT CONTROLS. The Banking and Currency Committee reported without amendment H. J. Res. 222, terminating consumer credit controls (H. Rept. 746) (p. 8125).
9. PURCHASING. Rep. Foote, Conn., criticized the provision in the Treasury-Post Office appropriation bill limiting prices which Government agencies can pay for typewriters (p. 8067).
10. FLOOD CONTROL. Reps. Rankin, Jones of Ala., and McCormack discussed this program under the War Department (pp. 8072-3).

SENATE

11. REORGANIZATION. Agreed, 42-40, to H. Con. Res. 40, disapproving Reorganization Plan No. 2, which authorizes coordination of certain laws relating to Government contracts (pp. 8017-35).
The Banking and Currency Committee reported adversely S. Con. Res. 51, against adoption of Reorganization Plan 3, relating to housing (p. 8037).
12. PEANUT QUOTAS; APPROPRIATIONS. Received from the President a budget amendment for 1948 in the amount of \$2,500,000 for administrative expenses in connection with the peanut marketing quota program (S. Doc. 71). To Appropriations Committee. (p. 8035).
13. RURAL REHABILITATION. Received from this Department proposed legislation to provide for liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations. To Agriculture and Forestry Committee. (p. 8036.)
14. APPROPRIATIONS. Sen. Bushfield, S. Dak., opposed "curtailing useful services to the American farmer" through USDA appropriation reductions, referring particularly to those for SCS, REA, crop insurance, FHA, and ARA irrigation programs (pp. 8041-6).
Sen. Wherry, Nebr., entered a motion to reconsider the vote on S. J. Res. 140, the appropriation-continuation measure previously passed by the Senate (p. 8041).
15. WAR POWERS; EXPORT CONTROL. Continued debate on S. 1461, to extend title III of the Second War Powers Act and the Export-Control Act, and made it the unfinished business (p. 8041).
16. STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATION BILL, 1948. Began debate on this bill, H. R. 3311 (pp. 8046-63). Agreed to the committee amendments. Most of the debate concerned the State Department's foreign information program.

HOW CAN WE STRENGTHEN THE AMERICAN FAMILY?—LETTER FROM MRS. E. WYATT PAYNE

[Mr. REVERCOMB asked and obtained leave to have printed in the RECORD a letter written by Mrs. E. Wyatt Payne, of Huntington, W. Va., in the Town Hall's Nation-wide letter-writing contest on the question How Can We Strengthen the American Family? which appears in the Appendix.]

RACE RELATIONS IN NORTH CAROLINA—ARTICLE FROM SHELBY (N. C.) DAILY STAR

[Mr. HOEY asked and obtained leave to have printed in the RECORD an article from a recent issue of the Shelby (N. C.) Daily Star relating a story illustrative of race relations in North Carolina, which appears in the Appendix.]

KRUG DISAPPROVES MINING CITY DAM—ARTICLE FROM THE LOUISVILLE COURIER JOURNAL

[Mr. COOPER asked and obtained leave to have printed in the RECORD an article entitled "Krug Disapproves Mining City Dam," from the Louisville Courier-Journal, which appears in the Appendix.]

CONTINUATION OF CERTAIN APPROPRIATIONS—MOTION TO RECONSIDER PASSAGE OF SENATE JOINT RESOLUTION 140

Mr. WHERRY. Mr. President, I enter a motion to reconsider the vote on the passage of the joint resolution (S. J. Res. 140) to temporarily make available certain appropriations for the fiscal year 1948.

The PRESIDENT pro tempore. The motion will be entered.

ANTILYNCHING LEGISLATION—CHANGE OF REFERENCE OF S. 1465

Mr. TAFT. Mr. President, there was referred to the Committee on Labor and Public Welfare Senate bill 1465, for the better assurance of the protection of persons within the several States from mob violence and lynching, and for other purposes, which is the antilynching bill, introduced by the Senator from California. Two antilynching bills have already been referred to the Committee on the Judiciary. I therefore ask unanimous consent that the Committee on Labor and Public Welfare be discharged from further consideration of the bill, and that it be referred to the Committee on the Judiciary.

The PRESIDENT pro tempore. Without objection, the Committee on Labor and Public Welfare will be discharged from the further consideration of the bill and it will be referred to the Committee on the Judiciary.

CONTINUATION OF CERTAIN POWERS OF THE PRESIDENT UNDER TITLE III OF THE SECOND WAR POWERS ACT

The Senate resumed the consideration of the bill (S. 1461) to extend certain powers of the President under title III of the Second War Powers Act.

PERMANENT RATES OF POSTAGE ON FIRST-CLASS MAIL MATTER

Mr. LANGER. Mr. President, I ask unanimous consent to have the unfinished business temporarily laid aside, and that the Senate proceed to consider House Joint Resolution 221, Calendar No.

407, to provide for permanent rates of postage on mail matter of the first class, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Dakota?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 221), to provide for permanent rates of postage on mail matter of the first class, and for other purposes.

Mr. LANGER. Mr. President, at midnight tonight, unless the joint resolution is passed, the 3-cent postage rate will expire. If the joint resolution is not passed, there will be an additional deficiency, according to the Postmaster General, of \$273,000,000. The joint resolution was unanimously passed by the House and was unanimously reported by the Committee on Civil Service of the Senate. I hope it will be passed by the Senate.

The PRESIDENT pro tempore. If there be no amendment to be offered, the question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, AND THE JUDICIARY APPROPRIATIONS, 1948

Mr. BALL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 3311, making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 3311) making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. BALL. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, several Senators have asked what it is contemplated shall be taken up in the Senate immediately after the pending appropriation bill has been acted upon. I think it only fair to announce that the contemplated procedure tomorrow is to consider, in executive session, the nomination of Joe B. Dooley to be United States district judge for the northern district of Texas. If that suggestion meets with the approval of the majority leader and the Senate, we will proceed in that manner. It is hoped the consideration of the appropriation bill will have been concluded by that time.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. WHITE. In any event, we will proceed with the Dooley nomination tomorrow at noon.

Mr. WHERRY. That is correct. I thank the majority leader.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MAGNUSON. Several members of the Committee on the Judiciary are quite interested in the extension of export control. The Export Control Act will expire tonight at midnight.

Mr. WHERRY. If the Senator will read the RECORD, he will find that we extended the Second War Powers Act for a period of 2 weeks. Consideration of further extension of the Second War Powers Act is now the unfinished business. As soon as the nomination of Joe B. Dooley has been acted on, consideration of the unfinished business will be resumed.

Mr. MAGNUSON. It is expected that consideration of the unfinished business will be resumed after the Dooley nomination has been acted on?

Mr. WHERRY. I am quite sure that is what will be done.

Mr. GURNEY. Mr. President, in view of the fact that the Second War Powers Act was made the unfinished business without my knowledge, and because I had an understanding that we were to take up the unification bill on Wednesday, and also taking into consideration the 2 weeks extension of the Second War Powers Act, I hope that on Wednesday we can resume the original schedule, and that consideration of the extension of the Second War Powers Act can be temporarily laid aside until we complete action upon the unification bill. I hope that can be done. I had thought that perhaps we might be able to take up the unification bill last week. It is very important to get it out of the way as soon as possible.

I make this statement in view of the statement made by the Senator from Nebraska a moment ago.

Mr. WHERRY. Mr. President, I am quite sure that the situation will be ironed out satisfactorily. After we have completed consideration of the Dooley nomination—I am not sure how long it will take—I am satisfied that we can conclude consideration of the bill dealing with the extension of the Second War Powers Act and be on schedule for the consideration of the unification bill immediately thereafter. I am satisfied that a satisfactory adjustment can be made.

AGRICULTURAL APPROPRIATIONS

Mr. BUSHFIELD. Mr. President, as passed by the House of Representatives, the appropriation bill for the Department of Agriculture would reduce the budget request by about 29 percent, or from \$1,188,571,318 to \$847,601,976 for the fiscal year.

I know that a great majority of our people want greater economy in Government. I agree with them wholeheartedly, and have consistently advocated cutting Government expenditures. Economy is absolutely essential to the future

welfare and economic stability of our Nation. That is why I am interested in cutting down the cost of Government in every way that is possible without hurting or stopping any of the essential services that must be performed.

I have no doubt that many services offered by the Department of Agriculture are no longer necessary, and I believe that there may be considerable duplication and overlapping in administration of such services. I feel it is the duty of Congress to insist on efficient service, and we should demand sound, business-like methods in this Department.

But I am not in favor of curtailing useful services to the American farmer and rancher. I am not in favor of economy which, in the long run, will cost us more money. I feel strongly that some of the reductions effected by the House should not be sustained by the Senate, and I shall urge that appropriations for certain items be restored to the full amount needed for essential operations.

Conservation of our productive farm lands is, in my opinion, one of the most essential of these services that must be performed. My own State is a great farm State, and I know how erosion can damage the land. I have seen it. It is not pretty. Erosion damage to farm land is not temporary. It leaves its mark on the land for years and generations. It means reduced production. It means nothing good. Everything about erosion is bad. People cannot live and prosper on eroded land. Eroded land provides little food for anyone—either on the farm or in the city.

Twelve years ago Congress called soil erosion a national menace; and nothing has since happened to alter that fact. Erosion today is still a national menace, perhaps more so now than then, because now our lands are suffering from the hard use we made of them during the war. Yes; it was hard use. We put more land under cultivation and kept it under cultivation to produce the food and fiber we needed to help win the war. We had to do it.

The record-breaking production from our farm and range land was not obtained without a price. The price was further exploitation, further damage, to our irreplaceable soil resources. We could not continue such production very long under our present system of farming and maintain our land at the same time.

Half of all the productive farm land of the United States has already been damaged by erosion. The war has served to speed up the rate of that damage. In such a situation, it is only good business sense—good common sense—to take whatever steps are necessary now to slow down the damage and reverse the process. We need to speed up the rate of soil conservation—the kind of conservation work that will be permanent and pay dividends year after year in high production per acre, at low cost, while protecting the land at the same time. We need our farm land; we must have it to continue as a great Nation. In the kind of world we live in nowadays, we must have it—and have enough of it, in good, produc-

tive condition—to keep the United States strong and prepared for any emergency.

There is only one way to do this job and do it right. That is by scientific analysis of the land and scientific application of the right combination of conservation measures. We have seen this demonstrated in South Dakota, just as it has been demonstrated in every other State in the country. Halfway measures simply do not work. We have seen that demonstrated, too. Only farm-by-farm and acre-by-acre treatment of the land will ever get this big and vital job done.

The appropriation which was cut most severely by the economy ax of the House of Representatives was the one for the agricultural conservation program. Under the bill, payments to farmers for 1947 would be reduced by about half. No appropriation is indicated for next year.

This is where I think the Congress should do some soul searching. This Nation has embarked upon a program under which we are sending millions of dollars abroad in loans to bring some measure of relief to foreign nations. In this connection, I insist that our first responsibility is to look after the needs of our own people.

Why take money away from American farmers and at the same time give lavishly to others? To my mind, we can best serve world interests by first looking after our own national interests.

We are sending millions of American dollars abroad, and there is serious doubt whether we will ever get our money back. So I submit that it is far more important to look to the conservation of our own national resources.

All during the war, and since the war, farmers have broken one production record after another. Part of the reason why farmers could do this was the conservation practices encouraged by the Government, which in some measure helped hold the line against what could have amounted to absolute soil destruction. The enormous crop production turned out by our farmers, however, could not fail to levy its cost in loss of soil fertility. So it is imperative that action be taken to protect our national economy adequately by bolstering—not weakening—programs which contribute markedly to the welfare and strength of the whole Nation.

Farmers were convinced of the need for soil and water conservation, and so they planned to increase the program practices carried out on their farms this year. Many farmers have gone ahead in carrying out their plans. They did this in good faith, for written large in the Agricultural Appropriation Act of last year was the congressional authorization for the development of a 1947 program amounting to \$300,000,000. The Department of Agriculture based its plans on this amount, and farmers were told that they could count on funds this year for conservation assistance from the Government.

Farmers feel—and rightly, I believe—that they have been working under a definite commitment. Many of the program practices are well under way—some of them completed under contracts with

earth-moving concerns. In some parts of the country farmers have in effect received full payment for carrying out practices, through grants of lime, fertilizer materials, and services.

If the appropriation for these payments were reduced by half, there would be a very serious problem in planning any sort of equitable distribution of the funds. It might mean attempting to recapture some of the payments already extended to farmers for 1947 practices, which in many instances would simply amount to putting them on the Federal debt register; or else farmers who have not yet received program payments would get much less than 50 cents on the dollar for the practices they have planned to carry out. More than 56 percent of the farm land in my own State is operated by renters and tenants, and these people must farm for a living. Without help, they cannot always afford to farm the conservation way, in the long-time interests of the Nation.

Nor would farmers be the only one affected by this cut in appropriations. I understand that in South Dakota alone there are 600 contractors who have planned their year's operations on the assumption that the Government conservation program would be carried out as announced. Many of these contractors are veterans, who have assumed debts and taken out GI loans to buy earth-moving equipment, in the assurance that the program would provide business. What of these?

I feel that Congress should restore the full amount to the appropriation for the agricultural-conservation program. I urge you to allow the full \$301,720,000 for this phase of work in the Department of Agriculture.

I should like to talk about the Soil Conservation Service, the agency which is charged with providing technical services for this work. As a word of explanation, the entire farm program ties in one with another. The agricultural-conservation program provides payments for service. The Extensive Service is doing good work for education of the farmers, but the Soil Conservation Service which also suffered a drastic cut in appropriation—some \$6,000,000—by the House of Representatives is the agency which provides the technical men and the know-how to carry on the conservation practices.

The Soil Conservation Service is the agency that goes out on the land with the farmer, into the fields and pastures and helps the farmer work out the best kind of land use and actually apply the right conservation measures on the land to get the job done.

This is not pampering the farmer. It is not providing a kind of luxury service he does not need. The farmer can rarely do this job alone, and in saying that I am not detracting in any way from the ability of our farmers. They are the best on earth. But effective soil conservation is a complex business. To do the job right, the farmer needs expert assistance, right on the ground. Every man in every business needs such expert assistance of one kind or another from time to time. That is what the Soil

IN THE SENATE OF THE UNITED STATES

JUNE 30 (legislative day, APRIL 21), 1947

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. SALTONSTALL to the bill
(S. 1461) to extend certain powers of the President under
title III of the Second War Powers Act, viz:

1 On page 7, strike out lines 3 and 4.

2 On page 7, line 5, strike out “(3)” and insert in lieu
3 thereof “(2)”.

4 On page 7, line 6, strike out “(4)” and insert in lieu
5 thereof “(3)”.

6 On page 7, line 12, strike out “(5)” and insert in lieu
7 thereof “(4)”.

8 On page 7, line 19, strike out “(6)” and insert in lieu
9 thereof “(5)”.

80TH CONGRESS
1ST SESSION

S. 1461

AMENDMENTS

Intended to be proposed by Mr. SAITONSTALL to the bill (S. 1461) to extend certain powers of the President under title III of the Second War Powers Act.

JUNE 30 (legislative day, APRIL 21), 1947

Ordered to lie on the table and to be printed

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Issued July 7, 1947

Division of Legislative Reports
(For Department staff only)

For actions of July 3, 1947

80th-1st, No. 127

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HIGHLIGHTS: Senate passed bill to continue certain allocation, priority, and export-control powers. Senate passed bill to authorize REA to refinance certain TVA loans to cities. Senate passed bill to authorize research and eradication of cattle grubs. House committee reported revised sugar bill. House committee reported bill transferring Crab Orchard project to Interior. State, Justice, Commerce, Judiciary appropriation bill ready for President. Senate committee reported bill to permit sale of Tongass Forest timber. Senate committee reported favorably nomination of Wells as Cooperative Bank Commissioner. House committee approved bills to extend SCS, ACP, and FHA to Virgin Islands; amend Plant Quarantine Act; and facilitate use and occupancy of forests. House committee approved measure ending certain war and emergency powers. Rep. Curtis urged continued production of synthetic rubber from farm crops. President approved Emergency Appropriation Act.

SENATE

1. **WAR POWERS.** Passed with amendments H. R. 3647, to continue certain war powers, with the language of S. 1461 as amended (pp. 8374-98). The Senate bill was then indefinitely postponed. Sens. Wiley, Cooper, and McCarran were appointed Senate conferees (p. 8398).

Agreed to the following amendments: By Sen. Ellender, La., to make clear that allocations powers regarding fats-oils and rice are extended only for the purpose of exercising import control (in this connection Sen. Ellender inserted a letter from Under Secretary Dodd) (pp. 8377-8). By Sen. Reed, Kans., to extend ODT powers until Jan. 31, 1948, in view of "the tremendous shortage of freight-car equipment" (p. 8385). By Sen. Saltonstall, Mass., to eliminate allocation controls over manila and agave fiber and cordage except that owned or contracted for by the Government on July 16, 1947, to establish priority and allocation in production of binder twine, baler twine, and rope (pp. 8385-7). By Sen. Hawkes, N. J., to continue authority for control of cinchona bark, quinine, and quinidine (pp. 8387-8).

Rejected the following amendments: By Sen. Butler, Nebr., to provide that grain exports shall be handled by private sources rather than the Government (pp. 8390-7). By Sen. Thomas, Okla., to abolish the historical-record system for export control (pp. 8388-90). By Sen. White, Maine, placing grains for distilling and brewing under control (p. 8387).

As passed by the Senate, H. R. 3647 provides for a limited continuation of allocations and priorities powers under the Second War Powers Act until not after June 30, 1948; continues export-control powers until not after June 30,

1948, but provides for an Administrator of Import and Export Controls in the Executive Office of the President to establish policies and programs and for an advisory committee to include the Secretary of Agriculture. For summary of the bill as passed by the House, see Digest 123.

2. RURAL ELECTRIFICATION. Passed without amendment S. 1087, which authorizes REA to refinance, out of its loan funds, obligations by certain municipalities (Athens and Sheffield, Ala., and Bolivar, Tenn.) to TVA, to the extent that such indebtedness was incurred with respect to electric transmission systems or portions thereof serving rural areas (pp. 8418-9).
3. CATTLE TICKS. Passed without amendment S. 1249, to authorize additional research and investigation into problems relating to eradication of cattle grubs, and eradication of these parasites either independently or on a cooperative basis (p. 8419).
4. RESEARCH LAND. Passed without amendment H. R. 195, to authorize USDA to sell to Sitka, Alaska, at its appraised value, a 1.3-acre tract formerly used as a site for agricultural research and weather service (p. 8419). This bill will now be sent to the President.
5. ACCOUNTING, ETC. Passed without amendment S. 1350, which authorizes GAO, if in concurrence of the department concerned, to relieve any disbursing or other accountable officer or agent or former disbursing or other accountable officer or agent of any department or agency charged with responsibility on account of physical loss or deficiency for any reason of Government funds, vouchers, checks, etc.; if the department head determines that (1) the loss or deficiency occurred in discharge of official duties or by reason of an act or omission by a subordinate and (2) without fault or negligence, but that this authority shall not include illegal or erroneous payments (pp. 8439-40).
6. SMALL BUSINESS. Agreed, without amendment, to S. Con. Res. 14, favoring representation of small businessmen on policy-making bodies created by Executive appointment (pp. 8445-6).
7. NATIONAL FORESTS. The Public Lands Committee reported with amendments S.J. Res. 118, to authorize USDA to sell timber within the Tongass National Forest (S. Rept. 433) (p. 8399).
8. NOMINATION. The Agriculture and Forestry Committee reported favorably the nomination of James E. Wells to be Cooperative Bank Commissioner, FCA (p. 8400).
9. CROP INSURANCE. Discussed and passed over an objection of Sen. Taft, Ohio, S. 1326, to amend the Federal Crop Insurance Act with respect to limitations, etc., on crop insurance coverage (pp. 8440-1).
10. APPROPRIATIONS. Discussed and passed over on objection S. Con. Res. 6, to include all appropriation bills in one consolidated general appropriation bill (pp. 8444-5).
11. WORLD HEALTH ORGANIZATION. Discussed and passed over on objection S.J. Res. 98, to provide for U.S. participation in a World Health Organization (pp. 8447-8).
12. VETERANS' PREFERENCE. The Civil Service Committee reported with amendment S. 999, to amend the Veterans' Preference Act with respect to preference accorded in Federal employment to disabled veterans. (S. Rept. 426) (p. 8399).

Kent Island, and for other purposes; to the Committee on Public Works.

By Mr. REES:

H. R. 4084. A bill to authorize the creation of additional positions in the professional and scientific service in the War and Navy Departments; to the Committee on Post Office and Civil Service.

By Mr. SHEPPARD:

H. R. 4085. A bill to provide for the establishment of the Patton National Monument in the State of California; to the Committee on Public Lands.

By Mr. BLOOM:

H. R. 4086. A bill to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the National Library for the Blind; to the Committee on Post Office and Civil Service.

By Mr. BUSBEY:

H. R. 4087. A bill to reduce individual income-tax payments; to the Committee on Ways and Means.

By Mr. POULSON:

H. R. 4088. A bill to provide for the per capita distribution of certain funds in the Treasury of the United States to the credit of the Indians of California, and for other purposes; to the Committee on Public Lands.

By Mr. BENNETT of Michigan:

H. R. 4089. A bill to raise the minimum-wage standards of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. SHEPPARD:

H. J. Res. 225. Joint resolution to authorize

commencement of an action by the United States to determine interstate water rights in the Colorado River; to the Committee on the Judiciary.

By Mr. PHILLIPS of California:

H. J. Res. 226. Joint resolution to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River; to the Committee on the Judiciary.

H. Con. Res. 57. Concurrent resolution regarding disposal of Torney Hospital property in Palm Springs, Riverside County, Calif.; to the Committee on Expenditures in the Executive Departments.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States in favor of the enactment of the Reed bill; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

717. By Mr. HART: Petition of New Jersey State Bar Association, urging the passage of

H. R. 1639, the so-called Jennings bill; to the Committee on the Judiciary.

718. By Mrs. NORTON: Petition of the Hudson County Bar Association, of New Jersey, opposing the enactment of the Springer bill, H. R. 318, a bill to require certain persons within the United States to carry identification cards and be fingerprinted, and for other purposes; to the Committee on the Judiciary.

719. By Mr. REED of Illinois: Petition of Mrs. Ralph Emmert, Elgin, Ill., and others, requesting favorable consideration of H. R. 1769, a peace bell bill; to the Committee on House Administration.

720. Also, petition of Mrs. Earl F. Dobler, Elgin, Ill., and others, requesting favorable consideration of H. R. 1769, a peace bell bill; to the Committee on House Administration.

721. By the SPEAKER: Petition of Holy Name Society, St. Mark's Church, Gary, Ind., petitioning consideration of their resolution with reference to steps to investigate subversive activities of foreign agents working to break down constitutional government; to the Committee on Foreign Affairs.

722. Also, petition of Mrs. Carrie L. McMarcus and others, of Sarasota, Fla., petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

723. Also, petition of Mrs. Albine Bibeau and others, of St. Petersburg, Fla., petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

Senate

THURSDAY, JULY 3, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

God of our fathers, whose Almighty hand hath made and preserved our Nation, grant that our people may understand what it is they celebrate tomorrow.

May they remember how bitterly our freedom was won, the down payment that was made for it, the installments that have been made since this Republic was born, and the price that must yet be paid for our liberty.

May freedom be seen, not as the right to do as we please, but as the opportunity to please to do what is right.

May it ever be understood that our liberty is under God and can be found nowhere else.

May our faith be something that is not merely stamped upon our coins, but expressed in our lives.

Let us, as a nation, not be afraid of standing alone for the rights of men, since we were born that way, as the only nation on earth that came into being "for the glory of God and the advancement of the Christian faith."

We know that we shall be true to the Pilgrim dream when we are true to the God they worshiped.

To the extent that America honors Thee, wilt Thou bless America, and keep her true as Thou hast kept her free, and make her good as Thou hast made her rich. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the legislative proceedings of Tuesday, July 2, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a bill (H. R. 4002) making appropriations for civil functions administered by the War Department for the fiscal year ending June 30, 1948, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4031) making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes, and it was signed by the President pro tempore.

CONTINUATION OF CERTAIN POWERS OF THE PRESIDENT UNDER TITLE III OF THE SECOND WAR POWERS ACT

The Senate resumed the consideration of the bill (S. 1461) to extend certain powers of the President under title III of the Second War Powers Act.

The PRESIDENT pro tempore. Under the order of the Senate, the pending business is Senate bill 1461, the bill to extend certain powers of the President under title III of the Second War Powers Act.

The parliamentary situation is that the pending question is on agreeing to the amendment of the committee, which is a complete substitute for the text of the bill as introduced.

Mr. WILEY. Mr. President—

The PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. WILEY. I believe we should have a quorum. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hayden	O'Connor
Ball	Hickenlooper	O'Daniel
Barkley	Hoey	O'Mahoney
Bricker	Ives	Overton
Bridges	Jenner	Pepper
Brooks	Johnson, Colo.	Reed
Bushfield	Johnston, S. C.	Revercomb
Butler	Kem	Robertson, Va.
Byrd	Kilgore	Robertson, Wyo.
Capehart	Knowland	Russell
Capper	Langer	Saltonstall
Chavez	Lodge	Smith
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Donnell	McClellan	Thomas, Okla.
Downey	McFarland	Umstead
Dworshak	McKellar	Vandenberg
Eaton	Magnuson	Watkins
Ellender	Malone	Wherry
Ferguson	Martin	White
Fulbright	Millikin	Wiley
Green	Moore	Williams
Gurney	Morse	Young
Hatch	Murray	
Hawkes	Myers	

Mr. WHERRY. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate on official business.

The Senator from Connecticut [Mr. BALDWIN] is absent on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from Delaware [Mr. BUCK], the Senator from Vermont [Mr. FLANDERS], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from

South Carolina [Mr. MAYBANK], and the Senator from Rhode Island [Mr. MCGRATH] are absent on public business.

The Senator from Georgia [Mr. GEORGE] and the Senator from Florida [Mr. HOLLAND] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness in their families.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is absent because of illness.

The PRESIDENT pro tempore. Seventy-six Senators having answered to their names, a quorum is present.

Mr. WILEY. Mr. President, a famous preacher once said that after the first 15 minutes no sermon effectuated any conversions. I think that statement is very pertinent in the legislative session at this time, so I shall be very brief in my remarks.

Mr. President, S. 1461 is a bill to extend certain powers of the President under title 3 of the Second War Powers Act and under the Export Control Act until June 30, 1948, with certain limitations.

Now, what is the need for this action?

Section 2 of the bill succinctly sets forth the situation. It declares that it is the policy of the United States to eliminate emergency wartime controls of materials, except to the minimum extent necessary:

First. To protect the domestic economy from injury which would result from adverse distribution of materials which continue in short world supply.

Second. To promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States.

Third. To make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate.

Fourth. To aid in carrying out the foreign policy of the United States.

It is well known that food allocations under the International Emergency Food Council, of which some thirty-odd countries are members; are recommended on a world basis. Inventories have been taken of foods throughout the world. We have attempted to appraise the needs of various nations, and thirty-odd nations have joined in this plan. The Secretary of Agriculture represents the United States. During the war, all

exports were under control, comprising some 3,200 commodities. Today there are something over 300 commodities on the control list of the Department of Commerce. Because of world shortages and demands being made on the United States, for foods, manufactured goods, and raw materials, it is necessary to insulate our markets from the full impact of world demand in order that domestic prices do not get out of hand.

By the bill under title 3 of the Second War Powers Act:

(A) The President is authorized to control imports of tin and tin products, cordage fibers, antimony, fats and oils, rice and rice products, and nitrogenous fertilizer materials, which controls, though in a lesser degree than the control of exports, influence in the same manner domestic prices and production.

(B) The President has power of domestic allocation of commodities in short supply.

(C) He has the power to require priority of production, transportation, and of export of nitrogenous fertilizer materials, materials which he determines expand or maintain the production in foreign countries of materials critically needed in the United States, and materials, upon the certification of the Secretary of State that the prompt export of such materials is of high public importance.

Export controls serve as an essential instrument for channeling exports of certain commodities, such as foods and coals, to particular countries in accordance with our foreign policy. As already stated, we are participating with other countries in determining allocations of essential supplies in world short supply, and we want to prevent their maldistribution. With respect to fats and oils, rice and rice products, import controls operate to prevent an undue flow into the United States at the expense of other countries in greater need.

Senators will bear in mind that the bill proposes to extend these powers for a year. However, the statute specifically provides that the Congress, by concurrent resolution, or the President, may designate an earlier time for the termination of any power.

As I previously stated, during the war some 3,200 commodities were under control. Controls have been reduced, until now there are approximately 300 commodities under control. Of course, it is not so much a question of the number of commodities as it is the amount that is involved.

Mr. President, I understand some amendments will be offered in relation to cordage. I might say parenthetically that I have received letters from cordage manufacturers and have had conversations with the representative of the cordage manufacturers, and have received letters from the State prisons which manufacture cordage, and they all express the belief that controls on cordage should be removed. But, Mr. President, while I am not a "fearist," that is, I am not one who believes in fear, I believe that sometimes the advantage of a little prescience, the exercise of a little foresight, is better than a considerable

amount of hindsight. We are told that we have now coming into harvest the greatest wheat crop in our history. Of course, a considerable amount of the wheat crop does not need binder twine. It is estimated, however, that there will be a loss of from 30 to 40 percent of our normal corn crop in certain areas. Our oat crop will be less than the normal crop. We must make sure that we gather the total crop, so that there shall be no loss in connection with it.

I have requested from some manufacturers a guaranty that the twine needed will be available. I could not obtain such a guaranty. I have been given their sincere promise. I believe they are sincere in making the promise. But, Mr. President, if I produce an item worth \$1 and one buyer on the domestic market offers me a dollar for it, and other buyer offers me \$2 for it, the one who offers me \$2 is going to be sold that item. The important thing to be considered in connection with twine is that we shall have no loss in our food production. That is important not only for America, but, God knows, it is important for the world.

Mr. President, I understand that some statement is going to be made in relation to removing import controls of fats. I think the import control should remain on fats. Of course, with our buying ability we can corner the fats market of the world. But we have certain obligations that I have mentioned heretofore in connection with the agreement entered into by thirty-some-odd countries in relation to fats. If there is any one food item the people of the world need it is fats. We have obligations in connection with our occupancy of Germany. We have obligations undertaken with respect to other lands under agreements which we have entered into, and in my humble opinion we must keep faith with those agreements. Therefore, we cannot import, we cannot permit our buyers, in my judgment, to buy the fats which the rest of the world so badly needs.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TAFT. I cannot understand the principle on which we limit imports of fats and oils into the United States. Only last week the President sent a message to Congress saying that under no circumstances must we limit imports of wool. There is a shortage of wool. There is a shortage of fats and oils. The President vetoed a bill because it contained a provision which might enable him to impose a tariff or fix quotas. Those are import controls. He vetoed that bill because he said it would prevent free trade in the world, would prevent our people from buying wool throughout the world. Yet we are now asked to place restrictions on the importation of fats and oils, with respect to which there is also a shortage, and prevent foreign countries from obtaining the dollars which might conceivably pay us for some of the things being exported.

I cannot understand the logic of the situation as between the two things. It is said that there is some agreement with respect to the distribution of these things

throughout the world. If we are to have cartels throughout the world we ought to have import controls and quotas on everything. If not, I see no justification for continuing import controls on fats and oils.

Mr. WILEY. I do not vouch for the logic of the President of the United States. Nor do I believe that that is what we are considering. What we are considering is the legislative policy, for which we alone are responsible, even though the President has made the suggestion.

These are not logical times. These are times when everything is askew. Everything is out of gear. The world is not operating in high gear, or in mesh. It is out of mesh. So far as logic is concerned, if it is contended that we should buy wherever we can and take unto ourselves everything we can get, and go back on the international food agreement, while lending money to Europe so that Europe may come back here and buy the same fats from us, that is not logic, either. I feel that if we try to operate the Government on the basis of logic in these days, we shall find that it will prove to be inadequate. There is such a thing as the higher logic of the mind and the soul. Our responsibility is to keep our own economy healthy, and at the same time attempt to perform the function of a good Samaritan in helping to make other peoples adequate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. BARKLEY. I do not wish to enter into a discussion of the wool question, which has been brought up by the Senator from Ohio. However, it seems to me that there is a situation with respect to wool entirely different from that which obtains with respect to fats and oils. There is no necessary relationship between the two, and no similarity between them. Our shortage of fats and oils is a temporary shortage, growing out of the war. Our people are being urged even now, 2 years after the war is over, to preserve fats and oils, not only for our own benefit, but for the benefit of other countries, if we have any surplus. On the other hand, the shortage in wool is a permanent shortage. We have never had anything but a shortage in wool, so far as our own production and consumption are concerned.

Furthermore, placing restrictions upon the importation of fats and oils does not necessarily, if at all, relate itself to any international agreements with respect to trade. There is a temporarily emergent situation in which we are seeking to increase our own production of fats and oils for our own consumption, as well as for whatever we may be able to do for other peoples who are suffering from an even greater shortage of those products than we are. I do not see the relationship between what is undertaken here in the extension of the authority under the Second War Powers Act and the President's veto of the wool bill the other day, and the subsequent action of Congress upon it. There has never been

anything but a shortage of wool in the United States.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TAFT. This country has never had anything but a shortage of fats and oils. We always import great quantities of fats and oils.

Mr. BARKLEY. We do; especially vegetable oils, but not necessarily animal oils.

Mr. TAFT. We have always imported large quantities of the kinds of fats and oils upon which import restrictions are now placed. Today we are unable to import those fats and oils. There is no attempt to allocate. This is simply an import control. The result has been that American users of fats and oils have been competing for a limited supply of fats and oils, and the prices of such fats and oils have been driven far beyond what they ought to be. For the kinds of fats and oils being imported today we are paying prices largely in excess of the world prices.

Mr. BARKLEY. We are importing fats and oils produced from vegetables which we ourselves do not produce.

Mr. TAFT. Yes. For the most part the fats and oils which we import are inedible oils, which we always have imported.

Mr. BARKLEY. We have also imported considerable quantities of edible oils.

Mr. TAFT. We usually export edible oils.

Mr. BARKLEY. I refer to oils such as olive oil, and things of that kind, which are produced in other countries, and which we do not produce. Olive oil is an edible oil.

The situation to which the Senator calls attention is not limited to inedible oils. Over a long period of years, in normal times we have exported animal fats, such as lard, and other fats of that sort; but we are not doing it commercially to a great extent at the present time.

Mr. TAFT. What happens today? We place export controls on edible fats, the result of which has been to force the price of lard below normal. Other countries want lard, but apparently our people are not particularly fond of it. We place such controls in effect at the same time we place import controls on vegetable fats and oils which come in from the Tropics. It seems to me that there is no logic in the situation. I do not like the continuation of any controls, but I can see the reason why, when we are spreading our dollars around the world so freely, we should protect our own markets from those dollars buying the things with respect to which we are in short supply. But I cannot understand why we should have import controls. It seems to me utterly inconsistent with our whole foreign trade policy, and the reciprocal trade policy, the purpose of which is to encourage imports into this country so that foreigners may have dollars with which to buy goods in this country.

It is said that the Food Commission is to divide up the oils and fats, so that we must restrain ourselves from buying

free fats and oils. However, the countries in which we can buy them can place export controls on them if they so desire, and can to some extent guide the disposition of their fats and oils. The British do it. I do not believe that the removal of such controls would affect the world situation in any respect. I think it would reduce the price of fats and oils in this country. It would enable us to be more free in permitting the export of lard and fats of which we have a surplus. I believe very strongly that the attempt to continue import controls is far worse than raising the tariff or imposing quotas, to which the President objects in other fields.

Mr. BARKLEY. Mr. President, will the Senator further yield?

Mr. WILEY. I yield.

Mr. BARKLEY. I do not wish to take the Senator's time, because I know that he is anxious to have the bill disposed of. However, I should like to say just a word. The question of whether the price of lard is below normal depends upon what is considered normal. Ordinarily, the price of lard goes along with the price of hogs and other animals from which lard is made. It presents to me a different situation. These controls may not be exercised. The bill merely provides for an extension of the power to apply them, if the President should see fit to do so.

Mr. WILEY. They can be terminated at any time.

Mr. BARKLEY. They can be terminated at any time. I am satisfied that whenever the President is convinced that they ought to be terminated, he will do so. This is merely a permissive extension.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. WILEY. I yield.

Mr. FERGUSON. Are the nations which belong to the organization which determines the quotas for export and import of these various products the nations which produce all the oils and fats, or are there some other nations which would be an open market, and would sell to anyone, disregarding the regulations of the Commission?

Mr. WILEY. I cannot answer the question definitely, except to say that it appears to me, from the list contained in the report, that there are involved South American countries, Australia, Mexico, the Union of South Africa, the United Kingdom, United States, and a number of small countries. I suppose there are some countries which have not yet come in.

I want to state again, Mr. President, that I can agree with the statement of the distinguished Senator from Ohio that perhaps it is not logical; but the committee in its report makes this statement:

It is the opinion of the committee that the chief purpose of import controls of oils and fats is to give strength to the commitments made in the IEFC and to deficit countries who are members of the IEFC that this country will not use its favorable financial position to capture free supplies of oils and fats which deficit countries sorely need.

The report takes up the subject of fats and oils on page 22; and Senators will

find a summary of the testimony for and against this proposition. The controls can be terminated at any time. If the world situation would clear up, they would be terminated. On the other hand, if the world situation should get worse in relation to food, especially fats and oils, it is very important, to my mind, at least, that the instrumentality be present to enable us to handle the situation.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TAFT. I want to point out, with regard to our obligations to the rest of the world, that this country is exporting more food than any country has ever exported in the history of the world. We are performing all our obligations to the world. We are exporting large amounts of edible fats and oils, and I cannot see that we need voluntarily to restrict ourselves in buying things which we can buy. If we import them, we will be able to export more products after they are processed.

Is it not true that every member of industry who testified was opposed to the continuation of these import controls, and that the only pressure for it came from Government officials?

Mr. WILEY. In answer to the last question of the Senator, I will say that the Senator from Kentucky [Mr. COOPER] is the one who held the hearings. I was only in and out during the hearings. The Senator's question would have to be answered by the Senator from Kentucky. Judging from the summation in the report, I think that probably the question should be answered in the affirmative.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. WILEY. If the Senator will wait one moment until the Senator from Kentucky [Mr. COOPER] has an opportunity to respond.

Mr. COOPER. Mr. President, there was only one man who appeared with reference to fats and oils, as I recall the testimony. That was Mr. John B. Gordon. A little bit later, when I take up the bill, I expect to explain in some detail the evidence and testimony respecting these various commodities. I should prefer to wait until that time.

Mr. TAFT. Mr. H. W. Prentiss, Jr., president of the Armstrong Cork Co., is also referred to in the report as having testified against the continuation of import controls on linseed oil.

Mr. COOPER. That is correct.

Mr. FERGUSON. Is it not true that by putting on these import controls in that way we are keeping dollars from certain countries that are in need for them? Take a country which has fats and oils, but which is in need of American dollars. By this method of control we keep from them American dollars and compel them to take some foreign exchange or none at all for their fats and oils, whereas at the same time we control the imports of fats and oils we are shipping these products to foreign nations. As I see the picture, we are just controlling them and increasing the price in this country. Is it not a fact that we keep American dollars from the other countries?

Mr. WILEY. Again I shall have to defer to my colleague, who has gone into the subject in much more detail.

At this time, Mr. President, I want to close my remarks, and I shall ask the Senator from Kentucky [Mr. COOPER] to go into the subject quite fully.

As I look over the world and see the need of various nations, I think that if there is any country, such as Australia, for instance, which undoubtedly has fats, she would undoubtedly sell them to England or to other parts of the Empire. If there are places in South Africa possessing fats and oils, instead of our buying those products and bringing them over to this country and shipping them back, we could so arrange it that other nations who have dollars, through our various banks and through various international loans, can get those fats directly. That would seem to me to be the answer.

When a man is diligent and conscientious and possesses other much-sought-for human qualities, the chairman of a committee welcomes him with open arms. Our associate, the Senator from Kentucky [Mr. COOPER] is a veteran of the last war. He possesses these qualities and three others which endear him to all his associates. He has judgment, courage, and ability to get at the facts and the issues in a given matter. He received only one directive from me in connection with this matter. When it came before the Committee on the Judiciary I appointed him as chairman of the subcommittee and said, "Get the facts." He has held numerous hearings, and examined many witnesses; and I should like to have him take over from here on.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. OVERTON. With respect to rice, does the bill affect only the importation of rice, or does it also affect the exportation of rice?

Mr. WILEY. I think the Senator's colleague has taken care of that by inserting the word "only."

Mr. ELLENDER. Section 3 of the pending measure amends title III of the Second War Powers Act, insofar as the importation of rice and rice products is concerned. There is another section of the bill, section 4, which deals with the exportation of various products, including rice.

Mr. OVERTON. I am glad the Senator is here, because he is much more familiar with the situation than I am.

Mr. ELLENDER. Mr. President, since we are now dealing with rice and rice products, will the distinguished Junior Senator from Kentucky yield to me for just a moment so that I may submit a noncontroversial amendment for consideration?

Mr. COOPER. I yield.

Mr. ELLENDER. Mr. President, I send to the desk an amendment which adds the word "only" after the word "control", on page 7, in line 15, of the bill. Title III of the Second War Powers Act conferred certain powers on the President of the United States respecting controls and priorities of various products. Under that title the Depart-

ment of Agriculture in the past used its authority to set aside certain quantities of rice and rice products and fix priorities and control prices thereon. Although the pending bill seems to deal solely with the importation of rice and rice products, I believe that by the addition of the word "only" after the word "control", on page 7, in line 15, it will make certain that the only authority that the Department will have in respect to rice and rice products under section 3 of the bill will be as to their importation. In other words, I desire to make it certain and crystal clear that the power to control prices, or to order set-asides or enforce priorities, insofar as rice and rice products are concerned, is not hereby renewed or extended.

In pursuance of that objective, I took up the matter with the Department of Agriculture, so as to obtain its views of what powers it thought the extension of title III of the Second War Powers Act now under discussion renewed insofar as rice and rice products are concerned.

Mr. President, at this time I wish to read in the RECORD a letter addressed to me from the Department of Agriculture, dated June 26, 1947, explaining what the act will do and why it is necessary to have import controls and export controls insofar as they affect rice and rice products. The letter reads as follows:

DEAR SENATOR ELLENDER: This is in reply to your telephonic request for information regarding the provisions of pending legislation to extend certain emergency powers and export controls and administrative action which might be taken under such legislation as they affect rice.

The only controls over rice and rice products which would be authorized under the pending legislation are those over imports and exports. It would not authorize the use of set-asides, priorities, or price control.

Let me say that the rice industry objected to an extension of title III of the Second War Powers Act last March and at present insofar as the extension permitted the Department of Agriculture set-asides, priorities, and price controls.

I read the remainder of the letter:

The authority to control imports appears to be necessary to prevent the importing of rice into this country to the detriment of other consuming areas. The authority to limit exports appears necessary to assure domestic consumers of obtaining their fair share of domestic production and to assure proper destination of such quantities as are available for export.

Since there has been some misunderstanding of the provisions relating to export control, I want to make it perfectly clear that the legislation does not authorize any form of control which could be used to meet export allocations. On the contrary, it does authorize the limitation of exports if necessary to prevent the exporting of an undesirably large proportion of the crop.

Sincerely yours,

N. E. DODD,
Under Secretary.

Mr. President, in connection with my remarks, I ask unanimous consent to have printed in the RECORD a telegram dated June 28, addressed to me, from Homer L. Brinkley, general manager of the American Rice Growers' Cooperative Association, and also a letter of June 27, 1947, from the Rice Millers' Association, of Louisiana, which are self-explanatory.

I will not take up the time of the Senate to read them. The telegram, as well as the letter, explains the views of the rice industry on the pending measure.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

LAKE CHARLES, LA., June 28, 1947.
Senator ALLEN J. ELLENDER,
Senate Office Building,
Washington, D. C.:

We regard continuation of both import and export controls on rice to be tremendously important for next year in order to protect domestic markets, including Puerto Rico and Hawaii and our Cuban export market. In view of world shortage, our domestic and Cuban markets might be drained if no export controls were imposed. If import controls are not imposed, it is entirely possible that imports from countries desperately in need of dollar exchange would come into domestic markets over our tariff wall, particularly if present price structure is maintained. We understand investigation is under way now by Puerto Rican governmental purchasing agency with the view to bringing in Brazilian rice, with the Puerto Rican agency paying the import duty, which would be merely a book-keeping transaction, since duty paid on imports to Puerto Rico remain in Puerto Rican treasury. Greatest potential threat to our industry now seems to be Brazil. To date they have not renewed their sales agreement with Great Britain, and this leaves them in position to threaten all our markets, including domestic markets. If United States export-import controls are extended, we will have far better bargaining powers so far as Brazil is concerned. Furthermore, it is our belief that the extension of these controls will constitute a moral obligation on our Government to see that our tremendous exportable surplus being produced this year will all be allocated and moved out to all available markets, with due consideration to the requirements of our domestic markets.

We urge you to take all necessary steps to see that these controls become effective.

HOMER L. BRINKLEY,
General Manager, American Rice Growers' Cooperative Association.

THE RICE MILLERS' ASSOCIATION,
New Orleans, La., June 27, 1947.
Hon. ALLEN J. ELLENDER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR ELLENDER: We are deeply grateful to you for your painstaking efforts in behalf of the domestic rice industry. It was, indeed, thoughtful of you to call the writer over telephone this forenoon and discuss with him the action which you are taking with respect to S. 1461.

We are not opposed to legislation to provide authority to restrict or curtail imports of rice, nor are we opposed to providing authority to designate foreign countries to which rice may be shipped and to specify the maximum amount which may be shipped to each country. But we are unalterably opposed to authorizing any form of control which could be used to implement export allocations, and thereby deprive the rice industry of furnishing the domestic market the maximum quantity of rice that it can utilize for comestible and industrial purposes. We believe that it is desirable that any legislation enacted make crystal clear that with respect to rice, authority to provide controls are limited to controlling the quantity which may be imported or exported. It is our opinion that this could be accomplished in specific legislation to authorize import-export controls and we believe that would be a better plan than to authorize any extension of controls for rice under title III of the Second War Powers Act, as the powers conveyed by that title are extremely broad and so vague that they can be

and have been interpreted by the administration as suits their purpose.

It will give us pleasure to inform the industry generally of the work you are performing in its behalf.

With kindest personal regards.

Sincerely yours,

W. M. REID,
Executive Vice President.

Mr. ELLENDER. Mr. President, I now submit the amendment and ask for its immediate consideration.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 7, line 15, after the word "control", it is proposed to insert the word "only."

Mr. COOPER. Mr. President, there is no objection to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment to the amendment was agreed to.

Mr. COOPER. Mr. President, I want to thank the distinguished Senator from Wisconsin [Mr. WILEY] for his very kind and generous remarks. As he has said, the purpose of Senate bill 1461 is to extend certain emergency powers of the President until June 30, 1948, powers which, if not extended, will expire on July 15, 1947. The powers which this bill proposes to extend are exercised by the President under the authority of two acts of Congress. The first is familiarly known as the Export Control Act, and the second as title III of the Second War Powers Act.

I must admit that my study and knowledge of these provisions is of short duration; but during the last 6 weeks I have become convinced that the full scope and implications of these powers are not fully recognized. If the Senate will bear with me for a short time, I shall discuss, as briefly and as simply as I can, the nature of these powers, the method of their present administration, and, in a limited way, their effect upon our domestic economy and foreign policy.

For approximately 6 weeks, a subcommittee of the Judiciary Committee, composed of the Senator from Wisconsin [Mr. WILEY], chairman of the full committee, who gives his valuable aid to every subcommittee, the junior Senator from Oklahoma [Mr. MOORE], the senior Senator from Nevada [Mr. McCARRAN], and myself, conducted hearings. We heard over 50 witnesses, who gave approximately 1,200 pages of testimony. We endeavored to secure the testimony of every person or association that we thought was interested in this subject. I must say, frankly, that very few of them appeared, and that not too great an interest was indicated by the trade and by the people whose commodities are subject to control.

Addressing myself to the export controls, let me say that the powers which are exercised by the President, are exercised under authority of the act of July 2, 1940, which in its terms gives the President the power to say whether any commodity produced or manufactured in the United States shall be exported. It should be borne in mind that since the enactment of the act in 1940, no limitation has been placed by the Congress

upon this power of the President; and today the President can say whether any commodity produced or manufactured in this country shall be exported or shall not be exported. When determination is made that a commodity may be exported, the President can decide what volume of the commodity may be exported, he may determine to what countries it may be exported, and he may prescribe quotas for such countries.

Take, for example, wheat: The President may determine that wheat may be exported; second, that 400,000,000 bushels of wheat may be exported; third, that certain countries, perhaps Great Britain, France, Belgium, and any other countries the President might name—shall receive the 400,000,000 bushels of wheat; and the President can determine the quotas to be allotted to the selected countries.

During the war, at the peak, approximately 3,300 commodities were under export control. By last year that number had been reduced to 750, and today there are 397 products comprising 19 classes, whose control for export purposes is limited.

At this time I should like to have printed in the RECORD, as a part of my remarks, the list of classes of commodities which are under export control. There are some 19 classes of commodities, and the list appears on page 6 of the committee report. I ask unanimous consent that the list of 19 classes appearing on page 6 of the committee report be printed as a part of my remarks at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Meat and meat products; animal and vegetable fats and oils; dairy products; fish and fish products; grains and preparations, including barley, corn, rice, and flour; fodders and feeds; sugar; crude rubber; fibers; building materials; coal; petroleum products; steel-mill products, including tin plate, scrap, steel pipe, wire, nails, and other iron and steel manufactures; copper, brass, lead, zinc, and tin and their manufactures; electrical machinery and apparatus, such as batteries, small motors, and electrical conduits; industrial chemicals and fertilizers; medicinal and pharmaceutical preparations, including streptomycin, quinine, and insulin; pigments for paints and varnishes, etc; soap and toilet preparations.

Mr. COOPER. Mr. President, the list of commodities under export control does not truly indicate the extent of the power. Its extent is more accurately reflected by noting the types of commodities which are under export control and their value. They are basic commodities such as food, coal, lumber, and steel.

Their volume in terms of dollars is indicative of the extent of control. It is my information that after the last war the highest volume of exports from this country, in terms of dollars, was about \$8,000,000,000. In 1929 it was \$5,241,000,000 which, until 1945, was the largest in peacetime in the history of this country. During the thirties the value of exports decreased to an average of two and a half to \$3,000,000,000 a year.

At this time I ask unanimous consent to have printed in the RECORD as part of my remarks the table found on page 6 of the committee report which gives the dollar value of exports during the years 1934 to 1940.

The PRESIDING OFFICER (Mr. Ives in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1934	\$2,133,000,000
1935	2,282,000,000
1936	2,455,978,000
1937	3,349,167,000
1938	3,094,440,000
1939	3,177,176,000
1940	4,021,146,000

Mr. COOPER. Mr. President, in the calendar year 1946, the total value of exports from this country, controlled and uncontrolled, was \$9,800,000,000. The value of exports under control was \$2,500,000,000. It is estimated that in this calendar year between fifteen and seventeen billion dollars of commodities will be exported, and that between four and five billion dollars of the total will be under export control and under the power of the President.

I should like to pass for a time to the method by which export control is administered by the President. The act gave him the power to designate any agency of government to carry out his powers. He has designated the Secretary of Commerce, and in the Department of Commerce, in the Office of International Trade, there is a section called the Commodity Branch, which is charged with the administration of the power, including the issuance of licenses to exporters.

To advise the Secretary of Commerce, there has been established an interdepartmental committee known as the Export Control Committee, made up of representatives of various departments of the Government which are interested in products under export control. On the committee is a representative of the Secretary of Agriculture, interested in food; a housing expediter, interested in building products; a representative of the Office of Defense Transportation, interested in transportation; and representatives of the Department of Commerce, interested in industrial products.

It would appear from this delegation of power to the Secretary of Commerce that he is actually exercising full control over exportable commodities. But the committee found that in practice such is not the case. He does maintain and reserve to himself the power to make decisions with respect to industrial products, but food products, which make up the great portion of the exports, are administered by the Secretary of Agriculture under authority of an Executive order of the President.

Control over the export of building materials is administered by the Housing Expediter.

I should like to point out now, as the preface to a statement I shall make later, that in this respect we found a division of authority and a lack of coordination in the administration of the export of these basic commodities.

I will discuss briefly the method by which the allocations and exports of food are determined. The first organization which deals with the export of food is not an organization of our Government. It is known as the International Emergency Food Council. In 1941 the Combined Food Board was established by the United States and the United Kingdom. In 1942 Canada became a member of the Board, and in 1946, taking note of the fact that food was the great concern of the world, 34 nations, including the United States, formed the International Emergency Food Council.

I ask unanimous consent that the list of nations appearing on page 3 of the record may be made a part of my remarks.

THE PRESIDING OFFICER. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Australia, Austria, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, Denmark, Ecuador, Egypt, Finland, France, Greece, Hungary, India, Ireland, Italy, Mexico, Netherlands, New Zealand, Norway, Peru, Poland, Portugal, Republic of the Philippines, Siam, Sweden, Switzerland, Turkey, Union of South Africa, United Kingdom, United States.

Mr. COOPER. The office of the IEFC is in Washington. The member from the United States is the Secretary of Agriculture. Its secretary general is Mr. D. A. FitzGerald, from the Department of Agriculture, a very able and industrious man. The organization deals with seven basic commodities—cereals, rice, fats and oils, fertilizer, sugar, cocoa, and seeds.

The organization asks its member countries, and other large producers in the world who do not belong to the organization, to submit to it estimates of production of the commodities named above and estimates of their requirements. From the information a kind of balance sheet is made up, on which is determined the maximum amount countries can export, and the minimum amount of imports countries may receive. Of course, the purpose is to attempt to secure an equitable distribution of the short supply of food in the world. Recommendations are made to the member countries, and if the governments concur, the recommendations become the action of the IEFC.

The Senate should remember that when determination is made by the IEFC of the amount of any commodity this country should export, the Secretary of Agriculture, being a member of the council, and having secured tentative approval from his Government, certainly would believe that there is a moral commitment upon his part to ask the Secretary of Commerce to agree to such allocations. We found that agreement is secured.

I pass now to consideration of the powers which are granted to the President under title III of the Second War Powers Act.

In attempting to draw some distinction between export control powers and the powers exercised under title III of the War Powers Act I point out that under the Export Control Act no direct

control is exercised upon individuals upon businesses, or upon producers in this country. All that is done is to determine the exportable quantity of any commodity, and then make allocation for distribution among the nations to whom it is determined exports shall be made.

The powers granted under title III of the Second War Powers Act are of different natures; if Senators will examine the bill which has been submitted, at section 3, page 7, which section relates to the extension of these powers, I can point out briefly their nature.

First, on page 7 reference is made to tin and tin products, manila fiber and cordage, and antimony. The provisions represent the power to allocate within the United States for specific purposes certain commodities which are in short supply in the world and in this country.

Taking tin as an example, the evidence indicated that before the war the total supply of tin in the world was 200,000 tons, of which the United States used over 50 percent, over 100,000 tons. Today the total world production is only 117,000 tons, and the testimony indicated that if we could secure all the tin we could use, we would use 120,000 tons, which is more than the entire world production. Our total supply of tin from all sources, is about 90,000 tons, and to secure its most effective use the President has the right to name the uses for which tin can be employed, and necessarily to allocate it and direct it to certain manufacturers for those uses.

In the case of tin, there not being enough tin for all purposes, it has been determined that tin shall be used for specific purposes, notably in the use of tin plate for tin cans for the packing of foods, and for bearings necessary for transportation and for farm machinery. Having determined what is called the end uses of tin, the supply is then allocated to certain manufacturers, who can use it only for the specified purpose.

A second type of control is authorized in paragraph 3, on page 7, referring to fats and oils, rice and rice products, and nitrogenous fertilizer materials. It is a different type of control. It is the power to restrict imports of these three materials. The argument for justification is based upon three grounds: First, they are commodities which are absolutely necessary and in tremendously short supply in the world; second, that while we do not have all that we could use, we have more than anybody else, and we have a reasonably good supply; and, third, that if import controls were lifted, then, with our dollars, we would be in position to capture and bring into this country a greater part of these materials available in other countries, and thus deprive needy countries of the small supply that they can now purchase.

I shall discuss for a moment fats and oils. I note that the Senator from Ohio is not on the floor at the moment. When he returns, I shall go into that matter again, to further develop the reasons I now advance for the continued control of fats and oils.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. COOPER. If the Senator will permit me to finish this discussion, I shall be glad to yield. Does the Senator desire to ask a question?

Mr. O'MAHONEY. No. I want to secure a copy of the report of the hearings.

Mr. COOPER. I yield.

Mr. O'MAHONEY. I desire to read the hearings upon this bill. I find that they are not printed. Upon finding that to be the case, I thereupon asked the Secretary for the minority to secure a copy of the transcript from the office of the Judiciary Committee. The clerk who responded to the call seemed to be under the impression that the transcript of the hearings could not be sent upon the floor. Therefore, Mr. President, I ask unanimous consent that the Secretary be requested to bring the transcript of the hearings to the floor, in order that I may consult them.

THE PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

Mr. COOPER. Turning to fats and oils, the evidence before the committee indicated that the present production of fats and oils in the world, taking into consideration the increased population, amounts to about 65 percent of prewar production. In certain devastated countries, the production amounts to about 20 to 25 percent. In our country we are producing 95 percent of our total prewar production.

There are two types of oils, edible oils, and nonedible oils. We have a surplus of edible oils, and we are exporting about 325,000 tons of edible oils a year. We are importing 375,000 tons of nonedible oils. If import controls should be removed, we would be able to purchase the short supply of edible oils that can be purchased in the world, and thus make it impossible for needier countries to secure the oils they need. Furthermore, if the IEFC continues in operation, the amount we import would be charged against our total supply, and an increased export allocation of fats and oils would be made to other countries; so it seems in the long run we would gain nothing by importing more fats and oils.

I should like to speak for just a moment about fertilizers, because there has been a great deal of controversy about fertilizers. A great many people give the opinion that there is a great shortage, a lack of production of fertilizer in this country. The evidence shows that whereas, before the war, we were producing about 7,000,000 tons of fertilizer annually, today we are producing 14,000,000 tons of fertilizer. The need arises from the increased demand brought about by improved farming methods and by higher prices for agricultural products.

One valuable type of fertilizer used is nitrogenous fertilizer. The total supply in the world today is 2,700,000 tons against a demand for 3,800,000 tons. We have 886,000 tons, of which amount we import 200,000 tons, one-half from Canada, one-half from Chile. If we lift controls and permit the free importation of nitrogenous fertilizer materials we could capture with our dollars the available nitrogenous fertilizer in Canada and in

Chile, and thus deprive the rest of the world of needed fertilizer. The importance of fertilizer today is illustrated as follows: We are shipping food to Europe. It has been demonstrated that 1 ton of fertilizer sent to Europe equals 15 tons of food sent by us to Europe.

A third type of power that is granted under the pending bill is indicated in paragraph 4, page 7. Briefly speaking, it gives the President power to give priorities and to require that certain articles be exported to other countries, in order to encourage the production of critical products that we need. To give an example, we are importing tin from Bolivia. If the President should determine that production of tin in Bolivia, and thereby our imports, would be increased by sending steel or lumber to Bolivia, he could order steel or lumber sent to Bolivia under the authority of this paragraph.

Finally, the fourth power which is granted to the President is authorized in paragraph 6, page 7. It is a power which is intended to implement the foreign policy of this country. It gives the President the power to give priority for the exportation of commodities to foreign countries, upon certification by the Secretary of State that such action is necessary for the successful carrying out of our foreign policy. Mr. Acheson, in testifying before the committee, gave this example: He said that in undertaking the program of rehabilitation now started in Greece it is known that it will be necessary to repair a certain bridge, in order to make available an entire railroad, necessary to the transportation system of Greece. This paragraph would give the President the power to send to Greece for that specific purpose that necessary amount of steel. I think the short summary of the powers which I have indicated here should give us some notice of the extent of these powers. They are broad powers. They are very extensive powers.

We have heard a great deal lately about high prices. We cannot fail to take into consideration the effect that the control of \$4,000,000,000 to \$5,000,000,000 of commodities is having upon prices in this country. We have a surplus of wheat and coal and other commodities. As export controls are opened, the surplus moves and prices are higher. If controls are tightened, the surplus is freed, and prices drop. It is a form of price control. It affects production and supply, and it still imposes certain limitations upon free enterprise and upon individual enterprise. It is a type of control we do not want. Yet, after hearing all the testimony, the committee recommends that these great powers—and they are great powers—be extended for 1 year until June 30, 1948.

Not all members of the subcommittee agreed to that recommendation, but it was the finding of the committee. We based our finding upon these facts. First, we believe it is necessary in order to protect the domestic economy of the country. We recently had an illustration of public opinion when controls were lifted, and that illustration came with respect to petroleum. There were no controls upon petroleum. It was found that petroleum was being exported

to Russia, and immediately there arose the demand that controls be reimposed on petroleum.

Wheat today is selling in the United States for \$2.25 or \$2.35 a bushel. In the Argentine it is selling for \$4 to \$4.50 a bushel. World production today is estimated to be 5 percent less than normal production, but the population of the world has increased approximately 10 percent over the prewar population. The United States is producing 40 percent more food than it did before the war. If controls were lifted from food products needy countries would certainly come to this country and secure all the food they were able to buy and would lessen our supply, and domestic prices would rise.

Second, the committee recommends the continuance of controls because we believe they are necessary to our foreign policy. Last year the United States exported fourteen and a half million tons of cereals, as compared to the annual average of one and a half million tons before the war. Under our obligations to occupied territories we sent five million tons of cereals to Germany and to Japan.

We have recently voted \$350,000,000 for relief purposes in Europe, and if the relief program is to be carried out, if our obligations in occupied territories are to be carried out, we must be able to secure the food and the wheat and to send them to those areas where we have made commitments. We must be able to do what we say we will do, at the proper time.

A great deal is being said about a program of rehabilitation for western Europe. If it materializes it will be necessary to assure the export of needed commodities to the proper areas. Export control gives the Government the power to direct exports to the countries to which we want exports to go.

Mr. President, if we do not have controls, countries possessing dollars, notably some countries in South America, Russia, and Spain, would have the opportunity to buy our exportable surpluses to the disadvantage of the countries we want to help, to the disadvantage of countries to whom we have obligations. Upon the above considerations we recommend extension of control.

Before I close I want to point out some errors in the administration of the acts that we believe should be corrected. First, we found that there was not any adequate consultation with private industry and the trades. We recommend that if controls are continued, procedures be adopted to secure the advice and consultation of private industry.

Second, there was a great deal of complaint about licensing procedures. Licenses now are granted upon the basis of 85 percent to the historical exporters, those who exported before the war or in war years, and 15 percent to new exporters. There was complaint that this ratio does not make adequate provision for new businesses. It is an arbitrary division, but we recommend that it be reviewed and that every effort be made to secure a more adequate distribution of licenses among exporters.

Mr. SMITH. Mr. President, will the Senator yield for a question?

Mr. COOPER. I should like to finish. I will finish in a few minutes.

The PRESIDING OFFICER. The Senator declines to yield at this time.

Mr. COOPER. A more important criticism was directed to the fact that country allocations of steel, lumber, and several other basic commodities have not been made. One argument advanced by the Government for the extension of control was to preserve the power of the Government to direct which are in the greatest need and which are important to our foreign policy. Yet we found that with respect to steel the policy of the Government was to make a determination of the total amount that could be exported, and then let the whole world come and bargain and compete for the available amount.

We were not able to secure very much testimony upon steel, but the able and distinguished Senator from Pennsylvania [Mr. MARTIN] had conducted extensive investigations upon that subject. He appeared before the committee. He made a report of his findings, and in every instance we have found his findings correct. He made recommendations as to certain procedures that should be adopted by the Department, and we have said in our report that the Department should take his recommendations into consideration.

Steel is selling for about \$65 a ton upon the domestic market. Yet by this practice of nonallocation, countries to whom we have loaned money and to whom we have granted money must come into this country and pay \$125 and \$135 a ton for steel, bargain with each other, bargain with nations who are not as friendly to us as the nations to whom we have loaned or granted money, and as a result the money which we have loaned or granted is being used up quickly, at the expense of the American taxpayer.

Another complaint that was made was concerning the Government policy of wheat procurement. Strong representations were made by the trade that the trade should be permitted to procure wheat for export. After full consideration of the arguments, the committee did not change the present procedure.

In the bill we do attempt to set out the details of administration. We do make certain recommendations in the committee report.

However, the basic weakness of the present administration, in the opinion of the committee, lies in its division of authority. Although the President has delegated the power to the Secretary of Commerce, he is only exercising his power with respect to industrial products. The power to make decisions with respect to food is exercised by the Secretary of Agriculture. With respect to housing materials it is exercised by the Housing Expediter. If a controversy should develop between the various agencies of the Government as to a proper course of action the Secretary of Commerce should make the decision. Because we believe that the problem of controls is a basic one, and because we believe that the control of \$4,000,000,000 or \$5,000,000,000 of

commodities is one of the major factors in price increases in this country, we first proposed that definite responsibility for administration should be fixed. We proposed that an Administrator of Exports and Imports should be nominated by the President and confirmed by the Senate, and that full authority be given to exercise power and control. I am convinced, after consultation with committees of the House, that the House will not agree to the provision; but so strongly do I feel upon the question I shall offer an amendment which will require the Secretary of Commerce to exercise the control and authority delegated to him.

To explain the difficulties which could arise from a lack of unified authority, I make this observation: As I have previously stated, the Secretary of Agriculture in actual practice makes the final determination as to the amount of food that shall be exported from this country, the countries to which the food shall go, and the quotas allotted to them. The War Department has an interest in the food that is to be exported, because it is the responsibility of the War Department to make provision for our occupied zones. The Secretary of State has an interest in the food supply, because it is his responsibility to administer the \$350,000,000 relief program. Under the present practice there is the possibility of three competing claims for our supply of food; and, so far as we could learn, in case of conflict no one other than the President would make a final decision. I think it is very important that someone be charged with the full responsibility of exercising authority.

I give one further example. We learned in the hearings that there is a shortage of some petroleum products in the country. There is a shortage in this country of pipe; and according to the evidence a part of the petroleum shortage arises from the fact that there is not enough pipe to increase domestic petroleum production. It was also brought out that in certain sections there will be a shortage of gas this winter, arising from the fact that pipe lines cannot be constructed because of the shortage of pipe. These matters are of great interest to our domestic economy. On the other hand, it was developed that supplies of pipe have been exported to foreign countries to stimulate the production of oil in those countries from which we expect to import. There was some evidence that that had been done to the detriment of our own domestic situation. If these claims are conflicting, some officers of this Government should have the power and responsibility to resolve them. I regret we could not find out that there is anyone today who would make such a decision, other than the President himself.

I believe that the program deserves greater coordination than it has been receiving, its head a responsible official.

In all fairness, however, I wish to say that in our hearings there did not develop any indication of red tape. We believe that the Secretary of Commerce, the Secretary of Agriculture, the Secretary of State, and those under them have generally administered the pro-

gram with as little interference with enterprise as is reasonably possible under a system of controls. This statement, made in fairness, does not detract from the argument that specific responsibility should be placed upon an official of the Government.

Mr. President, I should like to offer several amendments to the committee amendment to Senate bill 1461,

The PRESIDING OFFICER. If the Senator from Kentucky will offer them one at a time, they will be disposed of in that way.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HICKENLOOPER. Perhaps the Senator has discussed this question, but I wonder what, if any, information he or his subcommittee may have as to the amount of stored fat meat in this country at the present time.

Mr. COOPER. I have such information.

Mr. HICKENLOOPER. I should be glad to have the Senator give us the information, and tell us what the situation is with regard to the storage and movement of that commodity.

Mr. COOPER. A few minutes ago the Senator from Ohio [Mr. TAFT] asked a question about the number of witnesses who opposed continuance of controls upon fats and oils. I was in error in my statement when I said that only one witness opposed continuation. Upon examination I find that there were three. One was Mr. Gordon, to whom I have referred. Another was the representative of the Armstrong Cork Co., who objected to the control of linseed oil. The third was a packer named Mr. Behrman. His objection was directed to the price of lard, and the fact that export controls had resulted in the retention in this country of too much lard.

Mr. HICKENLOOPER. I have been informed—although I have not the statistical facts to bear it out—that in this country we have a tremendous storage of lard and what we call fatback, from pork, and other food products which are being held in storage, far in excess of demand. I am informed that export licenses are refused for the export of such material, and that it continues to pile up. I understand that the storage space is full at this time.

Mr. COOPER. After Mr. Behrman testified I asked for statistics from the Department of Agriculture. I have the following information as to lard stocks, in millions of pounds, for certain prewar years. For the year 1935, as of June 1, 90,000,000; 1936, 100,000,000; 1937, 194,000,000; 1938, 124,000,000; 1939, 130,000,000. The amount shown in storage as of June 1 this year is 149,000,000 pounds, which is in balance with the amounts in storage in prewar years. I think the objection grew out of the fact that the price of lard had dropped from about 30 cents a pound to 19 cents a pound. However, it is still much higher than it was before the war. I talked with representatives of the Department of Commerce after this testimony was heard, and the impression I gained was that export controls upon lard would be re-

laxed so as to permit a larger amount to go out of the country.

Mr. HICKENLOOPER. Mr. President, I thank the Senator for this information, but I am of the impression at the moment that in the prewar years we had a surplus of lard which caused the continuing mounting supplies. We did not have sufficient outlets for the lard or for the fat portions of the hog. At the present time, according to information which I have just received, we have a vast demand all over the world for fats of this kind, not only for lard but for the fatty parts of the hog carcass, and the controls are being so exercised that the products cannot be taken out of storage and shipped abroad, even though there is a great demand and even though we have an excessive amount in this country over and above our needs or reasonable demands. I do not have all the statistical facts to enable me to go further than to say I have been informed that that is the situation.

Mr. COOPER. I will say to the Senator that all the information I have is that which I have given.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. TAFT. Does not the Senator think that it is a peculiar policy to refuse exports of lard, a commodity so badly needed? I am told that British and Scotch sailors coming to this country take back large quantities of lard bought in the stores in New York, because it is so much in demand, yet at the same time we impose import controls in this country on other kinds of fats and oils which apparently they are not so anxious to obtain. It seems to me that we ought to release our export controls and not try to impose import controls in the United States. Let us buy the things that are available around the world and then be more liberal in letting others buy things in this country which they can buy. I do not understand the logic of the fats and oils situation in the United States today.

Mr. COOPER. The Senator was out when I addressed myself briefly to the question which he had previously asked. My opinion about fats and oils is based upon the following facts: I stated that from the evidence we had heard there is a tremendous shortage of fats and oils in the world. This country is producing about 95 percent of the volume it needs for domestic consumption. We are actually exporting 325,000 tons of edible oil. There is a surplus of edible oil. There is a shortage of nonedible oil, and we are importing 375,000 tons of nonedible oil. The argument is made that if import controls are lifted it will permit this country to capture with its dollars the short supply of oils that are free in the world and thus make the condition of other countries with respect to need of fats and oils even more difficult.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HICKENLOOPER. Is it not a fact that part of the program is to place dollar exchange in the hands of other nations of the world, and if we increase

our purchases of nonedible oils which we need, would we not increase the dollar exchange in the hands of some other nation?

Mr. COOPER. We would; and I will point out some of the nations whose dollar exchange would be built up. Among them would be Argentina, Spain, and Russia, who have dollar exchange and products we need. At the same time we would be depriving such countries as France, England, Italy, the occupied zones, and other countries needing fats and oils, of supplies they can now receive.

Mr. HICKENLOOPER. If the Senator will yield again, this information has come so recently that I cannot document it at the moment, but if we have 140,000,000 pounds of fats or lard on hand, or whatever the amount may be, it is greater by a considerable amount than the prewar storage. I cannot see why we cannot release a substantial amount of it and send it especially to those countries which are short in their diet and those which need edible fats and oils. I cannot follow a policy that clamps on export controls at this time, when the commodities are merely taking up storage space in this country, and could be used abroad to great advantage.

Mr. COOPER. I think the Senator is speaking of the administration of the law. The export of lard is permitted. The trouble lies in the fact that not enough lard is being exported. That is the complaint. It is a matter of administration. We are informed that the exportable quotas of lard are being increased. I certainly believe that reasonable increases should be made.

Mr. HICKENLOOPER. I think it would be encouraging if we did that. Whether it is the administration of the law or not makes little difference. Edible fats thus far have not been getting to the people who need them. We could send them at least the surplus.

Mr. COOPER. I have pointed out that the cold-storage holdings on June 1 of this year are in line with cold-storage holdings in the years before the war.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. TAFT. They are not particularly in line. They are larger than in any prewar year except 1937, when there was a tremendous surplus of everything, because there was another depression. They are actually abnormally high. Yet we hang onto them. We say we will restrain ourselves from buying inedible oil, which is used for soap or some other purpose. Our restrictions on oils apply almost entirely to inedible oils. We are limiting countries as to inedible oils.

Why single out oils? Why not meats? Why not restrain ourselves from buying meats from Argentina or anywhere else in the world? Why this peculiar rule about the imports of fats and oils and linseed oil? There is a shortage of paint in the country. Why should we refuse to permit the importation of linseed oil which people want to buy in order to build houses in this country? I cannot understand the logic behind the present policy of the administration on that question.

Mr. COOPER. In answer to the Senator from Ohio as to the amount of lard in storage, he will note that the average for the years I have given was 142,000,000 pounds as against 149,000,000 pounds this year.

Mr. TAFT. But this is a time when the whole world is short of fats. Our stocks are down to the very limit in every respect, but still there is a tremendous surplus of lard, larger than in the 1930's, except in 1937, when there was a large surplus.

Mr. COOPER. I will agree with the Senator that the holdings on June 1 were too high, but I do not see that that is an argument for the removal of export controls on lard. I think it is an argument for loosening up export controls on lard.

Mr. TAFT. My suggestion is that if we did not make imports, then the administration would be forced to be more liberal as to exports, and the result would be to take things where they were wanted instead of where some official of the Government seemed to think they ought to be. That is my reason for saying that we should take off the controls on imports. I think that will lead necessarily to a more liberal handling of export controls. I am afraid that export control is necessary. I agree with the Senator on that.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. COOPER. I should like to answer the Senator's question first.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. COOPER. I think all import controls on fats and oils should be continued for the present. I base my position on the ground, first, that there is a tremendous shortage of fats and oils in the world. Allocation of the available export surplus of the world has been made. If import controls were removed, it would mean that this country, with its supply of dollars, could capture the supply of fats and oils that are needed in needier countries throughout the world.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. TAFT. Is it not true that most countries impose export controls anyway? Are not there only a few countries where we could buy without regard to such controls, and where we have always bought before?

Mr. COOPER. We can buy from Argentina and Spain.

Mr. TAFT. Yes, and from the Philippines and a few other countries; and the supplies we would obtain from them would add particularly to our requirements, and would not interfere with the efforts of other countries to obtain the fats and oils they need.

Mr. COOPER. I do not think so, because in Argentina a certain amount of fats and oils can be exported, and that amount is free to the world now. If we were permitted to obtain as much as our dollars would permit us to purchase, the probability is that we would obtain the full supply, or most of it.

Another consideration is that if we are to follow a system of equitable distribution of the available supplies of food in the world, then to some extent, at least, we shall have to follow our commitments with the IEFEC. The evidence indicated that it is very difficult to secure commitments by the various countries; and if we are the first to disregard our commitments, I doubt that in the future we would have much success in securing agreements for the equitable distribution of food in the world. I think it to be a very important consideration that we abide by our commitments.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. JOHNSON of Colorado. In order better to understand the workings of the bill, I should like to ask the Senator how the exportation of beans is to be controlled under the pending measure. In other words, under the present arrangement, the Department of Agriculture determines the amount of beans that we can export, and then the Department of Commerce issues licenses to the shippers. The State of Colorado produces a considerable quantity of beans. Our difficulty is in regard to the allocation of the licenses. We find that when we apply for the right to export beans, we are told that we do not have a traditional, historical background, and that shippers in some other part of the United States have established their right to ship beans; and therefore they get that right, and we do not; we are denied a license.

How is that matter to be handled under this bill? Is there to be any change in that procedure?

Mr. COOPER. I stated a while ago that no attempt has been made in this bill to prescribe the details of administration. We believe that the first question is one of policy, namely, whether the controls should be continued. Having decided that export controls should be continued, it seems to me it is the responsibility of the Government in exercising the power to see that it is exercised fairly and equitably. I do not see how it would be possible under a bill to set up quotas as between various types of exporters, and to provide for all the details. It seems to me that we must place that responsibility on some agency of the Government, and then must see that the responsibility is properly carried out. There is no excuse for the failure of any agency of the Government to discharge its responsibility.

In our report we call attention to the problem to which the distinguished Senator has referred, and we suggest that efforts be made to correct the situation and provide a more equitable system of licensing.

Mr. JOHNSON of Colorado. Then the answer is that there has been no change in the procedures in regard to the exportation of such commodities as beans?

Mr. COOPER. Not so far as the bill provides.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. THOMAS of Oklahoma. I should like to say to the Senator from Colorado that later on I shall introduce an amendment in an attempt to remedy the defect which he has pointed out.

In the 1944 reconversion bill there is a section which the courts have held to be good, but the Office of International Trade refuses to abide by that section of the law, and claims that it is not bound by it.

At the proper time I shall offer an amendment incorporating in this bill subsection (b) of Public Law 458, known as an act to amend the Social Security Act, as amended, relating to the Office of War Mobilization and Reconversion. I am simply trying to carry forward in this bill what is in the law in another place, and it should have uniform application.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. COOPER. Mr. President, first I should like to submit some amendments to the committee amendment. I send them to the desk, and ask that they be stated.

The PRESIDING OFFICER. The first amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 6, line 9, after the date "1947", it is proposed to insert "and Public Law No. 145 approved June 30, 1947."

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Kentucky to the committee amendment.

Mr. COOPER. Mr. President, the first amendment I have submitted to the committee amendment merely takes into consideration the resolution which was passed a few days ago, extending controls until July 15. The purpose of this amendment to the committee amendment is to prevent any hiatus or lapse of controls under that resolution and until the enactment of this act.

Mr. O'MAHONEY. Mr. President, before we proceed to the consideration of amendments, I think a little opportunity should be afforded to some of the Members of the Senate to discuss the bill in general. I wished to ask the Senator from Kentucky some questions during the presentation of his outline of the bill, but it was his desire to be permitted to complete his statement without interruption.

Therefore, before we proceed to the amendments, I should like at this time to address one or two inquiries to the Senator from Kentucky.

The PRESIDING OFFICER. Does the Senator from Kentucky yield for that purpose?

Mr. O'MAHONEY. Mr. President, it is not a question of yielding. I wish to have the floor in my own right.

The PRESIDING OFFICER. The Senator from Wyoming has the floor in his own right. The Chair was merely making inquiry of the Senator from Kentucky as to whether he wished to yield so as to answer the questions of the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, let me say that if I have the floor the Sena-

tor from Kentucky cannot yield. He may answer or not answer, as he pleases, the questions I ask. Of course, I am sure he will answer my questions.

The PRESIDING OFFICER. That is exactly what the Chair was trying to determine for the Senator from Wyoming.

Mr. O'MAHONEY. Very well.

Mr. President, I merely wish to obtain a precise understanding of what we are doing when we pass this bill. I point out that when I came to the Senate this morning to listen to the discussion of this bill I first sought to obtain a copy of the hearings, but I found that no printed hearings were available. Therefore, it was impossible for any Member of the Senate, who was not a member of the subcommittee, or who did not attend the hearings, to know what was said by any of the witnesses, either for or against the bill.

I then sent for the transcript of the hearings, which was received only a few moments ago.

I feel that the country should have the advantage of having printed hearings available because this bill is of tremendous importance. It deals with the vesting in the executive branch of the Government of control over the activities of its citizens who are engaged in the export and import of necessary commodities, and therefore it deals with the interests of every citizen of the country with respect to commodities which are to be controlled. Its economic effect is very broad.

I feel that the Senator from Kentucky [Mr. COOPER] is entitled to a great deal of praise for the close study he has given the measure. I have followed with much interest his exposition of what is sought to be done. He displays great familiarity with the problem, and I have nothing but praise for him. Nevertheless, the matter is of such great importance that I hope the committee will undertake to see that these hearings are printed, because otherwise the debate which is taking place here will be inadequate information to the people of the country with respect to what we are doing.

Let me say, for example, in one particular, Mr. President, the impression prevails in a great many quarters, if one is to judge from editorial comment in the press and on the radio, that the exports which the United States is making are being made by the Government as an exporter. A case in point is the recent publicity with respect to the exportation of petroleum to Russia. The very definite impression was conveyed in the public press that the Government of the United States, as a government, was giving or selling oil to Russia in pursuance of some Government policy to aid the Soviets, whereas the fact is that whatever oil was exported to Russia is being sold to the Russian purchasers—and that, of course, means the Government of Russia—by the private producers of petroleum products in this country and not by our Government. Petroleum has been purchased in California by the Russians for a long period, from private producers of petroleum, from private refiners, not from the

Government of the United States; and whatever petroleum is exported to Russia now is being exported by private enterprise. The control which will be exercised under this bill will be a control of the right of individual free enterprises to export their own products.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Wyoming yield to the Senator from Illinois?

Mr. O'MAHONEY. I yield to the Senator.

Mr. LUCAS. I am glad the Senator has brought out the point with respect to petroleum, because, just recently, I read an article in one of the newspapers, in which the writer made the statement, or at least made the implication, so that anyone reading the article would infer, that the Government, with respect to oil now going to Russia, was doing the same thing we did previous to the war with respect to scrap iron and oil that we sent to Japan. Of course, the Senator knows that up to the time the Government finally stopped the selling of scrap iron and oil to Japan, it was purely a question of contracts between individuals and industries in this country and the people of Japan. It represented the working of free enterprise.

Mr. O'MAHONEY. Precisely. If anybody was to be blamed for the export of scrap iron to Japan, it was those persons who gathered the scrap iron and sold it; with this exception, that if as a matter of public policy the people of the country had come to the conclusion that the exportation of scrap iron to Japan should be stopped, then it was necessary for the Government, through Congress, to pass a law forbidding its nationals to engage in a trade in which they were normally entitled to engage. So, when we undertake now to say that oils shall not be exported to Russia, it ought to be clear in the public mind that what we are doing is to empower the Government to regiment American exporters. I use the word "regiment" because there has been so much criticism abroad in the land about what we call Government regimentation. It is regimentation, of course, when the Government of the United States or any government undertakes to prevent its citizens from following any course of activity which under a normal economy they are entitled to pursue.

During the war, because it was necessary for us to conserve all commodities that were usable in the war, we imposed export controls; but the War Powers Act, which was extended by the last Congress in certain limited ways, now results in controls over less than 20 percent of the commodities which were controlled during the war. When we extended this act last year, it was extended for the express purpose of enabling the Government so to manage our export trade as to conserve our own production and bring back to the United States commodities that were essential to the carrying on of our domestic economy.

Let me give an example with respect to the motor car industry. All the auto-

mobile manufacturers of the United States agree today that they are incapable of turning out automobiles enough to meet the current demand. We are falling short of the domestic demand for automobiles probably by several million units. One of the reasons for this lack of production of automobiles is the shortage of lead and tin and antimony, to say nothing of steel. Export control therefore gives the Government bureau in charge of the matter the opportunity to grant exports to those countries which are most likely to produce the commodities which we need. We need tin from the Malayan area, and so we grant exports to Malaya in order to get back the tin which is produced there and which we so badly need. It is better to export, in other words, our commodities out of our limited supply—and it frequently is limited—to the countries which can produce a commodity of which we find ourselves in great need. That is the principle upon which this act has been operating and on which it will continue to operate if extended.

In section 3 of the bill, on page 7, there are listed several of these commodities of which I speak—tin and tin products, manila fiber, antimony, and so forth. If for example we are able to export food or clothing to an area which is producing any of these materials of which we are in great need, that is to the advantage of the United States, and its general economy.

The Senator from Pennsylvania very correctly pointed out, and I think his memorandum is in the report, that one of the reasons why we in the United States now are in danger of a shortage of petroleum and petroleum products is that we are lacking in the steel with which to provide the facilities for transporting petroleum and for storing. If we could increase our steel production capacity—and it is being somewhat increased, I understand—then it would be much easier for us to obtain our petroleum supplies from our own domestic resources within the United States.

The important fact, Mr. President, to which I desire to draw the attention of the Senate, is that which I mentioned first, namely, that when the Government of the United States, even with this law in effect, permits the export of any commodity it is permitting American citizens to sell their own property abroad, and when it prohibits exports of any commodity whatever, then the Government of the United States is prohibiting American citizens from selling abroad commodities which they own. That is, of course, an example of the managerial concept of government, but it cannot be avoided, because if we did not clothe the Government with these powers, then the higher world price, the inflationary conditions which exist abroad, would draw inevitably a larger proportion of our production out of the domestic market away from citizens here, and thereby would increase the prices we have to pay.

For that reason, Mr. President, again I say I compliment the Senator from Kentucky on the presentation he has made. I feel that the extension of the act for another year is essential. If we can set any standards in the bill by which the

discretion of the Administrator can be controlled, so much the better. But the country ought to understand and the Congress ought to understand that these exports which are going abroad are not the exports of the Government making gifts to foreign countries.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. JOHNSON of Colorado. I should like to ask the Senator if he can think of any remedy for the situation I shall describe. In Wyoming and in Colorado there are many persons engaged in growing beans. They have them ready to market. They find a ready, and anxious market in Cuba for their beans. But when they try to secure a license to ship the beans which they have produced they are confronted with the reply, "Well, some broker in New Orleans," or in some other seaport, "has been shipping beans. He shipped beans to Cuba prior to the war. Therefore we are going to give him the license to ship beans, and we shall deny it to you." Is there any way out of that dilemma? It seems to me that to hold the exportation of any commodity down to an historical exporter is doing an injustice to some sections of the United States, and a very serious injustice has been done to the bean merchants and the bean producers of the States of Colorado and Wyoming.

Mr. O'MAHONEY. The Senator from Colorado is quite right. I think the committee in reporting the bill has criticized the application of that historical basis. But it is a theory which has been applied in other fields. For example in the Sugar Act the quotas for each producing area were based largely upon the history of the respective areas in the production of sugar, but we have always fought to preserve a leeway so that new producers might be recognized. I think it would be very well to add to the bill an amendment which would direct the Administrator, whoever he may be, that in the application of this historical theory, provision should be made for the recognition of the right of new producers of any commodity to export it. I think it would be a very simple matter. I ask the Senator from Kentucky if consideration was given to such an amendment by the committee.

Mr. COOPER. During the testimony a great deal of testimony was directed to criticism of the arbitrary division of 85 percent of controlled exports to historical exporters and 15 percent to new exporters. First, I believe that court decisions to the effect that such arbitrary divisions are illegal. For this reason, and for the further reason that it is a question of administration, we do not attempt to provide in the bill that any change shall be made in the 85-15 percent ratio.

Second, the following facts were brought out in the hearing. In this year it is estimated that exports will approximate \$15,000,000,000 to \$17,000,000,000 in value. Controlled exports will amount to about \$4,500,000,000. There is a field between the \$16,000,000,000 and the \$4,500,000,000 of approximately \$12,000,000,000 of exports which new exporters can enter if they desire. The proof we heard

in committee was to the effect that the new exporters would not go into the field of uncontrolled exports because it is one of keen competition, where profits are not certain. It was stated that the new exporters want to go into the field of controlled exports where the profit is certain and sure.

Mr. O'MAHONEY. The Senator may have read in the current press the story which is now being published concerning the mule buyers who were seeking to buy mules in the United States to export to Mexico. After they had expended considerable sums out of their private capital to buy mules they suddenly found that the Government of Mexico had made an exclusive contract with a particular mule dealer, so their purchases were no longer available to them for profit, because the Government of Mexico would not purchase from them. That is precisely the same situation as exists here, except upon the other foot, because, unless an export license is granted by the Government of the United States, no exporter may sell abroad, whether or not he has a market, and the historical theory has resulted in the fact that only those persons who in some period in the past were engaged in the export business are given the license to export now. That, of course, creates a closed economy and prevents new owners, new producers from coming into the market. Therefore it seems to me there ought to be a provision directing the administrators of this act to recognize these new domestic sources of production which make application for export licenses. It should not be within the exclusive jurisdiction of any administrative official to exclude from export any citizen of the United States who possesses a commodity which is in demand abroad.

With respect to the question of the Senator from Colorado [Mr. JOHNSON], it is my understanding that no export license is now required for the exportation of beans, so that our Colorado and Wyoming producers are not being restrained.

Mr. JOHNSON of Colorado. Mr. President, that clears the matter up. However, the able Senator in charge of the bill [Mr. COOPER] said a moment ago that no changes in procedures in the exportation of beans have been written into the pending measure. The Department of Agriculture classifies beans as grain. The world trade refers to beans as "pulses," which is an old trade name for beans, however, so far as this bill is concerned, beans are grain.

Mr. COOPER. Mr. President, I agree that there is evidence of abuse in the division of exports between historical exporters and the new exporters. But the argument was made that the historical exporters are those who exported before the war and who will continue to export when the present extraordinary situation is ended. They are the ones who have built up trade in foreign countries. They have trade names which have brought business to our country. I do not think there is any question that some of the new exporters will remain in the business only while the business is good. The proof offered before the committee indicated that some are in the

business for quick profits because they refuse to enter the field of uncontrolled exports where they must face keen competition. They want to stay in the field of controlled exports where the profit is sure. We believe, however, that the entire situation should be reviewed and the most equitable plan developed.

Mr. O'MAHONEY. Why should there not be a provision in the bill to the effect that not to exceed X percent of any commodity to be exported will be available to new producers or new exporters?

Mr. COOPER. Is the Senator suggesting that we should fix a ratio in the bill?

Mr. O'MAHONEY. Yes; I am asking why it should not be done.

Mr. COOPER. I would certainly be opposed to that, because I do not think we are in a position to determine any ratio between exports.

Mr. O'MAHONEY. Then the Senator recognizes, of course, that he is delegating to the administrative officials the right to determine from time to time who shall do the exporting. It may be that that is the policy which ought to be followed. I do not attack that policy, except to say that it does exclude certain producers in the United States. It may be that the authority ought to be completely discretionary. But we must recognize when we pass the bill that we are giving discretionary authority.

I agree with the Senator. I was a member of the Committee on the Judiciary in previous Congresses when this matter was under consideration, and it was the conclusion of our committee at that time that there was no abuse of the discretion. No abuses had been presented to the committee. Nevertheless, we are now out of the fighting war, and we are endeavoring to get back upon a peacetime basis. So the more we do to return to normal practices of trade in the export business the better it will be.

The Senator from Oklahoma [Mr. THOMAS], I understand, is going to offer an amendment which has to do to some extent at least with this subject.

Mr. COOPER. I thank the Senator from Wyoming for his remarks.

Mr. O'MAHONEY. The Senator agrees, does he not, with the correctness of my statement that the controls which are imposed by the bill are controls upon private citizens of the United States in the exercise of their right to export property which is in their care?

Mr. COOPER. I think it is a very lamentable fact that the Senator's statement is true. I think it is a control upon the economy. I think it is, in effect, a price-control system.

Mr. O'MAHONEY. And that the exportation which is allowed under the provisions of the bill is the exportation in major part—except by Federal agencies like UNRRA and the others when they were in existence—by private citizens of their own commodities? Is that correct?

Mr. COOPER. It is a limitation on all the commodities exported from this country.

Mr. MAGNUSON. Mr. President, I simply want to point out to the Senator from Wyoming that what he said re-

garding the abuse of the licenses is correct. One of the reasons which actuated the Senator from Kentucky in taking the control out of the Department of Commerce and setting up a separate administrator and placing discretion within that administrator, requiring him to report to Congress and to the President, was the hope that there would not be the abuses which now exist.

I do not know whether the testimony will show it or not, but many exporters, and many who are not exporters, obtained licenses and peddled them. It became a racket. They would obtain a license, for example, to export 20,000 cases of salmon. They would hold them as long as they wished. They would hold them until the price was right and they could make the biggest margin of profit. Although we cannot set a fixed formula, it was hoped that by placing the administration under a separate administrator, a better result could be obtained.

Mr. O'MAHONEY. That abuse is an abuse by the exporter, and not by the Government.

Mr. MAGNUSON. That is correct.

Mr. O'MAHONEY. It would be perfectly simple to provide by an amendment to the bill that an export license which was not exercised within a given period should lapse, so that thereby it would be impossible for any person to whom a license was granted to sell the export license for a speculative profit. If the Senator was a member of the committee, I suggest to him the consideration of the submission of such an amendment.

Let me also add that the establishment of a single administrator raises in my mind the question whether or not that might have the effect of impeding the carrying out of these powers by placing in the hands of one administrator powers governing industrial exports as well as agricultural exports. I think, for example, that control over agricultural exports may well be carried on by an official in the Department of Agriculture, because the Department of Agriculture, in reason, is better qualified to know what the food situation in the world is; whereas, with respect to industrial products, it might be wiser to have the control in the hands of someone in the Department of Commerce.

I merely make the suggestion. No doubt it will be discussed when the amendment is proposed. If I correctly understood the Senator from Kentucky, it is his purpose to offer a modification of the committee amendment with respect to the Administrator. Am I correct?

Mr. COOPER. The Senator is correct.

Mr. MAGNUSON. It was a most difficult thing, of course, to lay out a blueprint as to what amounts should be for new exporters. So it was thought that if we placed responsibility on one man and give him wide discretion, we might clean up some of the existing evils under the present system.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER] to the committee amendment.

Mr. REED. Mr. President, I ask the indulgence of the Senator from Kentucky and of the Senate. I have a very brief amendment to offer, and would like to have the Senator from Kentucky give it his immediate consideration. I am chairman of the Independent Offices Subcommittee of the Committee on Appropriations. I have a controlling appointment at 2:45. I send to the desk an amendment which I wish to offer, and ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 8 in the committee amendment, between lines 3 and 4, it is proposed to insert the following new paragraph:

(7) The use of transportation equipment and facilities by rail carriers, but only until January 31, 1948.

On page 8, line 17, it is proposed to strike out "or be construed to continue beyond June 30, 1947, any authority with respect to the use of transportation equipment and facilities by rail carriers."

Mr. REED. Mr. President, the purpose of the amendment, which I have discussed with the Senator from Kentucky, is to extend the powers of the Office of Defense Transportation until January 31, 1948. Normally I would be most reluctant to extend these war powers. The thing which makes this amendment desirable—and, in fact, necessary—is the tremendous shortage of freight-car equipment. The whole Nation was aware last year of the shortage of freight cars, especially boxcars. The situation this fall will be worse than it was last fall.

The only purpose of the amendment—which, I may say, was asked for by the President of the United States and the Interstate Commerce Commission—is to keep the Office of Defense Transportation in a position where it can act speedily if the allocation of an insufficient and inadequate supply of freight equipment.

I hope the Senator from Kentucky will accept the amendment.

Mr. COOPER. Mr. President, so far as I am concerned, I accept the amendment.

The PRESIDENT pro tempore. Does the Senator from Kentucky withdraw his amendment temporarily, so that the Senate may consider the amendment offered by the Senator from Kansas?

Mr. COOPER. I withdraw my amendment temporarily.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. REED] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. Does the Senator from Kentucky continue to withdraw his amendment for the purpose of considering the amendment of the Senator from Massachusetts?

Mr. COOPER. I withdraw my amendment.

The PRESIDENT pro tempore. The amendment offered by the Senator from Massachusetts will be stated.

The CHIEF CLERK. On page 7 in the committee amendment it is proposed to strike out lines 3 and 4, as follows:

(2) Manila (abaca) fiber and cordage, and agave fiber and cordage.

Mr. SALTONSTALL. Mr. President, this amendment is on page 7, and it strikes out subparagraph (2), the words being "Manila (abaca) fiber and cordage, and agave fiber and cordage."

This amendment was adopted in the House in a bill similar to the bill which we are considering at this time. As I understand, there was considerable uncertainty in the minds of the committee as to whether or not manila fiber and cordage should be included in continuing controls. My purpose in offering this amendment is to relieve these raw materials from further control by the Government.

My interest arises because the largest manufacturer of baler twine is in Massachusetts. The same manufacturer is the second largest maker of binder twine and the largest manufacturer of rope in the country.

As I understand, the situation at the present time is that the Government has continuing controls on the purchase of raw fiber from Mexico and from Haiti. It has freed from controls the purchase of fiber in Portuguese East Africa and the Philippines.

What happens is this: The fiber which comes in from the Philippines and from Portuguese East Africa free from control can be used for any purposes for which the manufacturers desire to use it. The fiber which comes in from Mexico and Haiti is brought in by the Government and allocated to the various manufacturers. The control of the end products of those manufacturers is exercised by the Government.

The interest that we all have so far as twine is concerned is in the question whether or not the farmer will get all the baler and binder twine he needs. I point out to the Senator from Kentucky and other members of the committee that the twine for farming purposes for the calendar year 1947 is already made. The only effect that continuing controls can have with relation to binder twine and baler twine is with respect to 1948.

As I understand, the Government wishes to continue the control of imports from Mexico and Haiti until December. If that is permitted, then the question of next year's binder twine and baler twine will be involved in Government controls.

The largest customer of the cordage companies is the farmer. The cordage companies have never failed to supply enough baler and binder twine, except in the year 1945, when the purchase of the raw materials and the allocation of such raw materials to end products were completely in the control of the Government. Since 1912 the farmer has had all the baler and binder twine he needed for his purposes.

There is another reason for removing these controls at this time. As I understand, the purchase of these raw mate-

rials in Mexico by the Government is at a floor price. What happens is that other countries come in and overbid us in Mexico, so that we are losing a certain amount of the fiber which would otherwise come into this country for purposes of manufacture.

Another reason for eliminating the controls is that there is no control over the import of the finished products from other countries. Mexico, let us say, makes a finished product and sends it to the customers of companies in this country which cannot obtain the raw material to compete with the Mexican product.

If there were any danger, or if there were a fear in the minds of the people who manufacture this twine that the farmer would not get his twine this year or next year, then certainly, as one Member of the Senate, I would not promote the elimination of restrictions on manila fiber. But, as I have pointed out, the farmer is the best customer of the cordage companies. The cordage companies have always provided twine for baler and binder purposes, except during the war, when the Government was completely in control of the raw products and the allocation of the end products.

I hope, Mr. President, that the amendment will be agreed to, and that these fibers will be eliminated from further control by the Government.

Mr. LODGE. Mr. President, I rise for a moment to support the amendment which has been proposed by my colleague, and I should like to read some excerpts from communications which have reached me from manufacturers engaged in the manufacture of binder twine and baler twine in Massachusetts.

E. W. Brewster, of the Plymouth Cordage Co., makes this statement:

We understand has been urged controls necessary to secure adequate supply binder twine and baler twine, but our opinion of whole industry, as stated to OMD (CPA) meeting last month, is that adequate supply these twines and rope too better assured if we have immediate return to normal private competitive operation.

Mr. Edwin G. Roos, vice president of the Plymouth Cordage Co., has this to say in a letter which he wrote to me under date of March 5, 1947:

The personnel of the CPA and its predecessors, WPB and OPM, handling cordage affairs have done, in our opinion, an extremely fine and fair job. The present personnel of CPA has done a remarkable job. At the same time, we feel that our company and our industry have cooperated with the Government's efforts regarding the control of cordage and cordage fibers, and there were very good reasons during the war why such controls should have existed.

However, the war is over, and while there is a world hard-fiber shortage, we are definitely of the opinion that we could move around in free enterprise with a better result to the United States economy than we can under a continuation of controls.

Just as an example, commercial tying twine, prewar, represented an annual volume to the United States cordage industry of between sixty and ninety million pounds—a sizable volume for our industry. During the war, in order to divert fiber and labor into the necessary amount of rope for the armed forces, WPB directed all United States cordage man-

ufacturers to cease the production of tying twine after September 30, 1942. This was a decision in which we, of course, concurred.

The controlling CPA order under which we are operating today is M-84. M-84 still denies United States cordage manufacturers the right to produce tying twine.

However, foreign countries where fiber is produced—principally Mexico—are using hard fiber in the production of tying twine and importing it into this country at a rate that is approaching the United States industry's prewar production rate, and M-84 has no control whatsoever over the use of such twine once it is brought into this country. You can imagine the position we are in with our United States distributors, to whom we have not been able to supply this product since September 30, 1942, and to whom we must sell our other cordage products within M-84 controls, when they can buy Mexican-made twine and use it for any purpose whatever with M-84 controls not in any way applying to the imported product.

I have read those two excerpts to show that we are facing a set of conditions today which were not in existence and not at all contemplated when these controls were put into effect. As these communications show, the controls were justifiable, beneficial, and, in fact, necessary during the war, but I believe the time has come to return this particular type of materials to free enterprise. I am convinced in my own mind that there will be an ample supply of these commodities for those who consume and use them in this country. I think the figures which have been compiled by the industry are convincing. Moreover, it is an industry which has always kept faith with its customers and consumers, and has every interest in the world in so doing.

I hope, therefore, that the amendment may be agreed to.

Mr. KEM. Mr. President, I should like to associate myself with what has been said by the Senators from Massachusetts. I believe that, under present conditions, there is no sound reason for the continuance of Government controls so far as the acquisition of supplies of these materials is concerned.

I should like to read a telegram which I have received from Mr. F. J. Schnakenberg, manager of the St. Louis Cordage Mills, St. Louis, Mo. It reads as follows:

JUNE 25, 1947.

HON. JAMES P. KEM,
Senate Office Building,
Washington, D. C.:

We understand Senate will tomorrow consider S. 1461 on continuation wartime controls. We request your aid in deleting from this bill as amended the words "manila (abaca) fiber and cordage, and agave fiber and cordage." The problem of the industry is providing greater supplies of baler and binder twine for agricultural use. The industry's productive capacity is ample to take care of these needs and requirement has not been met only because public purchasing program has failed to provide the fiber required. After struggling for several months to purchase 75,000,000 pounds of Portuguese African sisal badly needed by the industry for baler twine production CPA a month or so ago gave up the job and authorized manufacturers to do their own private buying that fiber. On several occasions within the last 8 months we asked CPA for increase our baler twine quota, and each time this was denied with explanation fiber was not available. CPA was unable to procure sufficient supplies Philippine abaca and last November

returned purchase this fiber to private manufacturers. Under private purchasing a much greater supply this fiber became available. Our Government has declined to halt importations of Mexican-made bundling twines while domestic manufacturers are prohibited from making such items. The refusal to permit such bundling twines to enter from Mexico would result in one or both of increased shipment of fiber from that country or shipment of baler twine from Mexico. In either event more binder and baler twine should result. We are convinced this country is losing too much hard fiber through public purchasing and that our industry will do a much better job on binder twine and baler twine if totally decontrolled than it can do under Government regulation. It is almost 2 years since the fighting stopped and it is time the Government cut us loose. Our industry did a wonderful job in the war years and is entitled to freedom of action.

ST. LOUIS CORDAGE MILLS,
F. J. SCHNAKENBERG,
Manager.

I hope the amendment proposed by the Senator from Massachusetts will prevail.

Mr. WHITE. Mr. President, will the Senator yield, to permit me to submit an amendment?

Mr. COOPER. I yield.

Mr. WHITE. I submit the amendment which I send to the desk, and I request its present consideration.

The PRESIDENT pro tempore. The amendment is not in order at the moment. The Senate has yet to vote on the amendment submitted by the Senator from Massachusetts.

Mr. WHITE. Then I ask that the amendment lie on the desk.

The PRESIDENT pro tempore. The amendment will lie on the desk.

The question is on agreeing to the amendment of the Senator from Massachusetts.

Mr. COOPER. Mr. President, the purpose of the amendment offered by the Senator from Massachusetts is to strike from control manila fiber and cordage. The argument advanced by the Government for the continued control of cordage was that it could direct its use for baler twine, binder twine, and rope.

I must say, in honesty, that in the light of the proof developed in the hearings, it was my opinion that there was a sufficient supply of fiber to meet the demand, after making sure there was enough for the farmers this year. If the Senator would withdraw his amendment, I should like to propose an amendment which would permit the Department of Commerce to allocate the supply now on hand or under contract so that there may be no question about the protection of baler and binder twine for the farmers. I understand it is limited to about 62,000,000 pounds, which they have contracted to purchase in Mexico and Haiti.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SALTONSTALL. The Senator from Kentucky has shown me his proposed amendment, which is to be offered in place of the one I offered. As I understand, his amendment simply permits the Government to allocate the amount of fiber it has on hand as of July 16, 1947, which amounts to approximately

62,000,000 pounds. That fiber must go into baler twine or binder twine, for use in connection with next year's crop, as I understand. The total amount of fiber used in the course of a year is somewhere between 347,000,000 pounds and 600,000,000 pounds. The amount involved is about one-sixth of the total amount used. I can see no objection to the amendment suggested by the Senator from Kentucky, and if something develops justifying opposition it can be stricken out in conference, because the House has eliminated this fiber from the bill in its entirety. I believe that the amendment is a good compromise, because it protects the farmer to the extent of 62,000,000 pounds, and it permits the Government to sell the amount it has on hand without going into competition with the various factories in the country. Therefore, if the Senator from Kentucky will offer his amendment, I will accept it.

The PRESIDENT pro tempore. The Senator from Massachusetts withdraws his amendment. The Senator from Kentucky offers an amendment in lieu thereof, which the clerk will report.

The CHIEF CLERK. On page 7, line 4, after "cordage", it is proposed to insert a comma and the following: "owned or contracted for by any agency of the Government on July 16, 1947, for the purpose only of establishing priority and allocation in the production of binder twine, baler twine, and rope."

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. WHITE. Mr. President, I call up the amendment I have sent to the desk.

The PRESIDENT pro tempore. The Senator from Maine offers an amendment to the committee amendment, which the Clerk will report.

The CHIEF CLERK. On page 7, line 5, it is proposed to strike out "and", and in line 18, after "export", to insert "and grains for the purpose of controlling the use thereof for distilling and brewing."

Mr. WHITE. Mr. President, I emphasize that I introduced this amendment in behalf of my colleague, in his name and in his behalf. I think the amendment speaks for itself. It proposes to extend the controls on grain.

As I understand the situation, we exported during the last year something like 500,000,000 bushels of grain, one of the very staple products of America, and I think if there is justification for extending control over other commodities and certain foods that are referred to, there is justification for extending some degree of control, and the same character of control, over grain.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the committee amendment, submitted by the Senator from Maine.

Mr. TAFT. Mr. President, I think it would be a great mistake to adopt this amendment. There is no longer any allocation of grain. There is no longer any allocation of anything except a very few limited products. To provide that we shall have power to restrain, in other words, to limit, the amount of grain that can be used in brewing and distilling

seems to me a tremendous mistake of policy. It involves a new, complete control of the grain industry and of what happens to grain. I do not think we should reimpose such a restriction.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Maine.

The amendment to the amendment was rejected.

Mr. HAWKES. Mr. President, I send to the desk an amendment that would put quinine, cinchona bark, and quinidine under controls.

The PRESIDENT pro tempore. The Senator from New Jersey offers an amendment to the committee amendment, which the clerk will report.

The CHIEF CLERK. On page 7, between lines 5 and 6, it is proposed to insert the following:

(4) Cinchona bark, quinine, and quinidine.

Mr. HAWKES. Mr. President, the purpose of this amendment is to restore to the bill (S. 1461) controls over cinchona bark, quinine, and quinidine exactly as they were carried in the bill when it was passed by the House of Representatives.

In spite of my objection to Government controls and my deep-seated conviction that all wartime controls imposed on our free-enterprise system should be removed at the earliest possible moment, I am convinced that the further extension of these controls is imperative for humanitarian reasons.

Controls were originally imposed on these materials because of the critical shortage of supply resultant from the overrunning of the Indonesian Peninsula by the Japanese. Even though our armed forces freed this area and the Dutch have returned, they have not yet been able to restore peace and harmony in the East Indies, and well-informed individuals advise me that economic conditions in this area are unstable to the point that deliveries from Dutch sources, which have been estimated to be available during the coming year in the amount of 2,100,000 ounces of quinine, are unreliable. These deliveries, I am advised, are only tentatively promised by the Dutch cartel, and I have been unable to determine that there is any binding contract existing which will guarantee deliveries.

The committee report indicates that the over-all demand for 1947 and 1948 will amount to 1,200,000 ounces for malarial and other essential medicinal purposes, and 3,000,000 ounces for other purposes. To fulfill these demands, the report relies upon the delivery of the aforementioned 2,100,000 from the Dutch cartel, 250,000 ounces of Government stock in reserve, and 1,000,000 ounces of Army surplus. The net effect of these Government estimates shows a deficit of 850,000 ounces of quinine for the period.

Industry estimates, which I understand were provided by representatives of that part of the industry manufacturing proprietary products containing quinine, such as hair tonic and patent medicines used in the treatment of maladies less serious than malaria, include 500,000 ounces more from the Dutch

cartel than the Government estimates. In addition to this, these industry sources estimate that only 900,000 ounces will be required for antimalarial use, and only 600,000 ounces will be required for other industry uses. On the basis of the estimates from this section of the industry, therefore, the committee was advised that a surplus of 2,350,000 ounces would be available for the years 1947 and 1948.

Manufacturers producing only quinine for antimalarial uses have convinced me that the estimate provided by the proprietary-products industry is unsound, both from the standpoint of its reliance upon delivery from the Dutch cartel and from the standpoint of the relatively small demand for use in proprietary products.

I believe that the controls should be extended until the uncertainty now existent in connection with the ability of the Dutch cartel to deliver is removed. Further, I see no harm which can come from the continuation of these controls because the present allocation system can be broadened to include nonessential medicinal users, if larger supplies than are needed for antimalarial purposes become available. The importance of quinine in the treatment of malaria in the United States cannot be overestimated.

I quote a paragraph from a letter written by Dr. James A. Crabtree, deputy surgeon general, United States Public Health Service, to Mr. Irving C. White, director, Bureau of Industry Operations, Civilian Production Administration, under date of May 5, 1947:

Most of the malarious areas of the continental United States are in the South and in rural districts. In these areas quinine has been the drug used for the treatment of malaria and sicknesses characterized by chills and fever for generations. To persuade the populace to change over to another drug or drugs would require an extended and expensive educational program. Only recently has atabrine been proven to be the equal of quinine as an antimalarial drug, so that many older physicians are not yet fully cognizant of its efficacy and many of them are very reluctant to use it, particularly against patient resistance. Probably the great majority of malaria patients are self-medicates, and such persons will not take readily to a new drug. Accordingly, the net result of impairment of the quinine supply might well be a material reduction in the number of cases of malaria treated.

There is certainly great difference of opinion among reliable individuals on this subject, but it seems to me that no harm can come from having this particular item under control for another year in order to assure the country of having the necessary amount of quinine to provide for all medicinal needs.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. LUCAS. Do I understand that the amendment the Senator from New Jersey has offered seeks to place quinine under control by the Government?

Mr. HAWKES. Yes; to place quinine back under control by the Government, where it has been.

Mr. LUCAS. In other words, the Senator is not seeking to take something out of the bill; he is seeking to place some-

thing in the bill which would place quinine back under control—that is, under so-called regimentation of the Government—for another year?

Mr. HAWKES. That is the idea exactly, because I feel the Government should have the power to see that there shall be the necessary amount of quinine provided for antimalarial purposes.

Mr. LUCAS. I want to congratulate my friend from New Jersey upon the very generous gesture he is making. I shall support his amendment. I think the country will be safe in view of what the able Senator is now proposing. I shall feel sure of the continued safety of the country any time I can discover that my good friend from New Jersey is going back to control.

Mr. HAWKES. I may say to the distinguished Senator from Illinois that I knew when he rose that he was going to say just what he did say. I may say further to the Senator from Illinois that whenever I see something which is of vital necessity for the health and welfare of the people—something which needs control—the Senator will find me voting for it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Jersey.

Mr. KEM. Mr. President, I am opposed to the amendment offered by the distinguished Senator from New Jersey. There is a considerable difference of opinion in the estimates made by competent observers respecting the available supply of quinine.

Mr. James H. Grove, president of the Grove Laboratories, Inc., of St. Louis, Mo., a large producer of quinine, appeared before the committee as a witness. Mr. Grove estimated that the maximum demand for quinine for antimalarial purposes for 1947-48 would be 900,000 ounces, and that the maximum demand for quinine for blended uses and industrial purposes, currently prohibited under the control order, would be approximately 600,000 ounces, making a total demand for 1947-48 of 1,500,000 ounces. With reference to supply, Mr. Grove estimated a total available supply for 1947-48 of 4,650,000 ounces, which would include an estimate of 800,000 ounces for the public purchase program and domestic processing of the South American bark. On the basis of the figures submitted by Mr. Grove, disregarding the possible 800,000 ounces from the South American public purchase program, the supply of quinine for 1947 would exceed the demand by 2,300,000 ounces.

Under those circumstances, Mr. President, if those figures are correct, and I have every reason to believe that they are, there is absolutely no reason for continuation of this control.

The Grove Laboratories have been engaged in the pharmaceutical business for many years. Mr. Grove is a well-known and highly regarded citizen of St. Louis. I have every confidence that he is informed and that his figures may be relied upon.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Jersey.

Mr. COOPER. Mr. President, in the hearings there was no question which developed as much testimony as the subject of quinine. I think there was more time spent in trying to find out what the situation was with respect to quinine than with respect to any other subject.

The figures we were able to secure were, to say the least, confusing. The Government's figures respecting the supply of quinine were twice revised. We had the same experience with respect to estimates of demand. On that subject the Government revised its figures. Finally it was the opinion of the committee that so far as supply and demand were concerned the supply was adequate to meet the demand. For that reason, we left quinine and quinidine out of the bill. Since that time persons who did not appear have written and sent messages to the committee, notably the Council on Pharmacy and Chemistry, the American Pharmaceutical Association, and the United States Public Health Service, particularly urging that quinidine be kept under control on the ground that it is necessary for the treatment of cardiac disorders. I will say frankly that from the confusing testimony we heard I am not able to give any accurate statement as to what the true situation is. I can only say that upon the proof we did hear there is no question in my mind that supply and demand are in balance.

The House left controls off with respect to stocks now in the hands of the Government. If the Senator from New Jersey will limit his amendment solely to stocks now owned by the Government, I will be willing to accept the amendment.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from New Jersey. [Putting the question.] The "noes" appear to have it.

Mr. HAWKES. I call for a division.

On a division, the amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 9, line 2, it is proposed to insert the following:

(e) The executive agencies exercising control over exports shall permit the resumption or initiation of exports. Such exports shall be permitted regardless of whether one or more competitors were normally engaged in the same type of business and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time.

On page 10, line 9, after the word "report", it is proposed to insert "within 30 days after each quarter."

Mr. THOMAS of Oklahoma. There are two amendments involved, and I am advised unofficially that there is no objection to the second branch of my amendment. I should like to ask the Senator from Kentucky if I am correctly advised.

Mr. COOPER. There is no objection to the second part of the amendment.

Mr. THOMAS of Oklahoma. I ask then that the second branch of the amendment be acted upon first.

The PRESIDENT pro tempore. The question is on agreeing to the second branch of the amendment submitted by the Senator from Oklahoma.

The second branch of the amendment was agreed to.

The PRESIDENT pro tempore. The question now is on the first branch of the amendment offered by the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. The first branch of the amendment seeks still further to outlaw a practice in international trade of using the historical record as a basis for export. The Congress heretofore has passed a law known as the War Mobilization and War Conversion Act of 1944. In that law the Congress enacted subsection (b) as a portion of section 203. Subsection (b) outlawed the program or policy of considering manpower on the basis of historical record. It outlawed the consideration of production on the basis of historical record. Likewise it outlawed the consideration of materials on the basis of the historical record. The administrative departments downtown refused to abide by the law.

I submit to the Senate two decisions of our courts. The first is in a case entitled *Moberly Milk Products Company v. Fleming, Administrator, Office of Temporary Controls, et al.* (69 Fed. Supp. 766). That case was passed upon by the district court, and later by the United States court of appeals. The court held that the Administrator of the Office of Temporary Controls was not justified in using the historical basis.

In that case a small concern had made an application for some sugar. It was marketing some kind of a product made from milk, and in order to place the product on the market it was necessary to have sugar. The Office of Price Administration refused to give the concern as much sugar as it thought it should have, whereupon it went into court and sought an injunction. The district court sustained the injunction. An appeal was taken to the circuit court of appeals, and the circuit court of appeals likewise sustained the injunction, which meant that so far as sugar rationing was concerned, the basis known as the historical record should not be governing.

The question has been before another court in another form, in the case of *Publicker Industries, Inc., v. Anderson* (68 Fed. Supp., 532). This was a case brought in the district court in the District of Columbia. The company involved desired to use some grain, I presume in the manufacture of industrial alcohol. The Secretary of Agriculture refused to give it as much grain as it wanted, depending upon the rule known as the historical record basis, whereupon the company filed suit for an injunction, and the case went to court. The court sustained the injunction.

The court has passed upon the question, and the law is on the statute books. All I am trying to do is to reenact the same law with respect to exports. Un-

der the present law the head of the Office of International Trade is restricting exports as he sees proper. Let me give an illustration in point.

My State is a large wheat-producing State. As a rule that wheat is processed in Kansas City. Not very long ago some youngsters in that trade territory obtained an order for 200,000 sacks of flour, to be delivered at Sao Paulo, Brazil. Believing that they could get the license to ship the 200,000 sacks of flour to Sao Paulo, Brazil, the order was placed by the Government of Sao Paulo, a State of Brazil. They had the money to pay for it. The Ambassador from Brazil made the application for the allocation and secured it. These youngsters, largely veterans, had the order to ship 200,000 sacks of flour to Sao Paulo, Brazil, on the order of the state of Sao Paulo. Not only did they have the order to ship the flour, but they had the flour. It had been purchased at Kansas City. Thinking that they would have no difficulty in getting a license to ship the flour, having the allocation, they chartered a ship to carry the flour to Sao Paulo.

When they presented the application to the Office of International Trade they were told that because they were a new concern, not having a historical record, they could not secure a license to ship the flour with respect to which they had a contract, in a ship which they had chartered, which at that time was at Galveston. They could not get a license to ship the flour under this order. They did not get the license, and have not yet obtained it.

On the other hand, the officer in charge of the International Trade Organization proceeded to issue a license covering the 200,000 sacks of flour to those having a historical record. They had no order, but they had the record, so he issued the license to them. They did not have the flour, and they did not have the order. They could not sell it to Sao Paulo.

Such licenses have been discovered to be in the black market. Under the procedure now in vogue, licenses are issued and are for sale on the market. Often the license costs more than the product.

I am offering this amendment to outlaw the policy of issuing licenses on the basis of historical record. I submit that so long as this policy is in vogue there is no opportunity for a new concern to get started. There is no chance for veterans to go into any kind of business in which they must have a historical record. They have been in the war. Many of them have just reached manhood, and desire to establish themselves in business. They have no chance to make a historical record. So long as this practice is followed, there is no chance for a youngster, a new company, or veterans, for that matter, to get these licenses, because they do not have a historical record, and they cannot develop one.

My amendment would simply provide that so far as exports are concerned, they shall not be based upon the policy of a historical record. Under my amendment anyone who could obtain business in a foreign country and could get an allocation from the Department of Agriculture could obtain a license. I am not trying to interfere with the control of

exports. That subject is under the control of the Department of Agriculture. If it were proper to sell flour to Sao Paulo, Brazil, the Department of Agriculture would issue the allocation. In the case to which I have just referred, the Department of Agriculture did issue an allocation. There is no question about the need of the flour in Brazil. There is no question about it being for hospitals and eleemosynary institution in Brazil. But the question arose as to who should ship the flour.

Mr. President, I submit the amendment on its merits, and I hope it will be agreed to.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. JOHNSON of Colorado. I think the Senator will find, if an investigation is made of some of those to whom licenses are issued, that they are mere brokers who have been engaged in the export business in years past as brokers. Now that they have a historical basis, producers and other merchants who would like to export are denied a license in favor of the brokers.

Mr. THOMAS of Oklahoma. The Senator is entirely correct. I am not trying to obtain an advantage over anyone, or take an advantage away from anyone. I am merely trying to provide by law that no agency of the Government shall have the power to say who shall have a license and who shall not have a license.

Mr. President, I submit the amendment on its merits.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. If there were an export quota of so many million barrels, and the shipments were not allocated how would they be determined? Would the first one to make an offer have his offer accepted by the foreign government and get the order, and so on, until the total amount which was allocable to that particular country was exhausted? What would be the alternative?

Mr. THOMAS of Oklahoma. I think the case just referred to is a good illustration. The State of Sao Paulo, Brazil, has control of its eleemosynary institutions, asylums, potteries, and so forth. Acting through the Ambassador from Brazil, it made application for an allocation of 200,000 sacks of flour. The Department of Agriculture saw the fairness and justness of the proposal and issued the allocation for the flour. Then the Ambassador of Brazil made the contract to buy the flour from a concern in the West. That concern applied to the Department of Commerce for a license to ship the 200,000 sacks of flour which had been allocated by the Department of Agriculture. It was told by the Director that it could not have the license, and that if the flour were shipped to Brazil it must be shipped by those who had a historical record. Because this particular concern had no historical record, it was limited to 5 percent. Then the Department issued a license for the 200,000 sacks of flour, but when the licensee desired to sell the flour to the Ambassador, he asked a higher price

than the Ambassador had contracted to pay. He refused to pay the higher price, and to date the deal has not been consummated.

Mr. AIKEN. If the Senator's amendment were to be agreed to, a foreign country which is authorized to purchase flour—and I suppose other commodities—in this country would be permitted to purchase wherever it could get the best offer. Is that correct?

Mr. THOMAS of Oklahoma. This is the way the record stands: On one occasion Greece wanted some flour. The head of the department advised those interested that the purchasing agent for Greece had the power to name the person who should have the allocation and the license. On this occasion that policy was reversed. The department said "No; the agent purchasing the goods should not have the power to say who should have the license. We ourselves propose to control that, and we say that the man from whom the flour was bought cannot obtain a license and cannot sell it." The purchasing agent was the Ambassador from Brazil.

That is the practical way in which the system operates. It is all a matter of record, as appears in the House hearings on this same question.

Mr. AIKEN. I thank the Senator for his explanation.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MOORE. Am I to understand that this amendment would change the entire formula for the issuance of licenses? As I understand the formula, 85 percent is allocated to those with a historical record.

Mr. THOMAS of Oklahoma. That is simply a rule placed in force by the department having control of international trade. It is not a law.

Mr. MOORE. As I understand, this amendment would prevent that practice.

Mr. THOMAS of Oklahoma. It would. It would outlaw what is known as the historical record rule.

Mr. MOORE. It is only a rule.

Mr. THOMAS of Oklahoma. That is all. It is only a rule of the department.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. As I understand, the Senator's amendment would not affect the allocations for the various countries.

Mr. THOMAS of Oklahoma. No. We would still retain control over them.

Mr. COOPER. Mr. President, it seems to me that the instance mentioned by the Senator from Oklahoma is just another example of the abuses and inequities which always accompany any system of government control.

The Senator himself has stated—and I think he is correct—that there is no legal basis for such a ratio being provided by the Department of Commerce. As I see the situation, prior to the enactment of the pending bill, if it is enacted, the applicant for a license had no recourse, because of the provision, that the Export Control Act was not subject to the Administrative Procedures Act which carried with it the right of appeal. Section

10 of the Administrative Procedures Act provides the right of appeal, and we have provided for the right of appeal in the pending bill.

I believe that the amendment is unnecessary. I do not think it should be in the bill. I believe it should not be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the first branch of the amendment offered by the Senator from Oklahoma [Mr. THOMAS] to the committee amendment.

The amendment to the amendment was rejected.

Mr. BUTLER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Nebraska will be stated.

The CHIEF CLERK. It is proposed to insert in the committee amendment, at the proper place, the following:

The sale of grain and grain products to foreign purchasers for export shall not be performed or conducted by any agency or department of the Government.

Mr. BUTLER. Mr. President, I have had a short conversation with the manager of the bill, the Senator from Kentucky [Mr. COOPER] a few days ago, but have not had an opportunity to talk with him today. I had hoped that he would have an opportunity to look over my amendment and see if he would be willing at least to take the proposed amendment to conference.

Very briefly, I should like to give the Senate an idea of the object of the amendment.

Among the 397 articles listed in the report by the Senator from Kentucky, which are subject to the law, if this bill is enacted, I believe there is but one that would be affected by this amendment, and that is the export of wheat. In dollars and cents it is perhaps the largest in the whole list. There are 45 or 50 large grain firms in the United States which are equipped to conduct export business. The Government agency which has been doing the exporting of wheat has purchased nearly all of its supplies from these different firms which ordinarily would be exporting in their own right. I do not believe it is treating the industry fairly when the business is taken over exclusively by a Government agency which certainly is not qualified to do a better job than could the private trade.

I should like to call attention to one part of the report which came to the Senate in connection with the extension of the Reconstruction Finance Corporation a few days ago, in which it was stated that the committee was strongly of the opinion that the Government should not engage in international trade operations whenever and wherever it is practicable to return these operations to private enterprise.

I submit to the Members of the Senate the fact that there is no question but what the grain trade is well qualified to conduct the export of wheat. The export of flour is now in the hands of private trade, as is the export of practically everything else on this list of 397 articles.

I do not propose to amend the bill with relation to the allocation rule. I believe that the Government, under present conditions, should maintain control over the amount of any commodity to be exported, for our own protection, but I think the export of the amount agreed upon could be left in the hands of private trade.

From page 32 of the report in connection with the bill which is under consideration I read as follows:

It is the opinion of the committee that the procurement of wheat should be returned to trade at the earliest moment. It is to be noted that Capt. Granville Conway, coordinator, emergency export programs, and president, Cosmopolitan Shipping Co., testified that it was his opinion that the trade could assume this responsibility and could exercise it more efficiently than the Government.

This covers the export of from 300,000,000 to 500,000,000 bushels of grain in the coming year. I think, conservatively stated, it will amount to more than 400,000,000 bushels.

Any agency which takes over the handling receives a commission of 1 percent. They also get a 1-percent commission for certain charges, such as elevation charges, and so forth. So the 1 percent is doubled, making it 2 percent. Why add 5 cents a bushel, which would be 2 percent on wheat, which is selling at close to \$2.50 a bushel? Why add 5 cents additional cost to the consumer? It represents an increase of approximately \$15,000,000 to \$20,000,000, and it does no one any good, except that it gives that "scalp" to the Government agency which performs the service which the regular trade is well equipped to do without that additional charge.

I ask the manager of the bill if he is willing at least to take this amount to conference. If not, I should like to continue with a statement I have in connection therewith.

Mr. COOPER. For the reasons I have stated, I cannot accept it.

Mr. BUTLER. Then, Mr. President, I should like to make this statement in the hope that the Senate will place the amendment in the bill for conference.

As I have stated, with one purpose of the bill I am in agreement. That is the purpose of controlling and holding down the volume of sales to foreign countries of commodities which are in short supply in this country and very vitally needed by our own consumers. Without some restriction on such exports, it is clear that tremendous quantities of such vital commodities as tractors, fertilizer, and petroleum might flow abroad without restriction, creating shortages at home. As I say, I am in agreement that restrictions on the volume of such exports should be continued. I believe this bill has been sold to the American public on the argument that that is the primary purpose and effect of the measure. However, far more than that purpose is involved in the bill.

Let me call attention to some of the provisions of the bill. First of all, let me invite the attention of the Senate to the declaration of policy. That paragraph sounds as if it had been written in the State Department. It says, for example, that it is our policy "to promote

production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States." It does not say that it is our policy to promote the production in this country of materials critically needed here. Obviously, it is intended to expand production of those vital materials abroad rather than in this country.

Further on, it declares that our policy is "to aid in carrying out the foreign policy of the United States." Certainly we all want to aid in carrying out that foreign policy. I did not realize until now that that was the primary purpose of controlling exports. I had thought that the purpose of controlling exports was primarily to protect our consumers against shortages such as the gasoline shortage we are already experiencing in the Midwest from our heavy exports of petroleum and petroleum products.

Look a little further down the bill. Under section 3 it is stated that title III of the Second War Powers Act shall remain in force with respect to "such materials for export which are required to expand or maintain production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and such materials which are necessary for manufacture and delivery of materials required for such export." Certainly we need no priorities in production and delivery for export in order to protect the American consumer. This is a paragraph to protect the foreign producer. This paragraph will be used to require the manufacture and require the export of machinery for the production abroad of anything from sugar to zinc, and thus give a foreign producer a competitive advantage over our own producer by expanding foreign production with the use of American machinery, probably purchased with American money.

Subparagraph 5 under the same section specifically gives authority for the priority of exports of nitrogen ahead of domestic allotments to the American farmer, and subparagraph 6 extends that export priority so that it can be applied to almost every material or commodity produced in this country.

We have swept away virtually all powers of priority and allocation for delivery to meet the needs of our own domestic consumers—in other words, as far as our internal economy is concerned. We still have pressing domestic needs, such as freight cars, housing, farm machinery, and fertilizer. As far as these domestic needs are concerned, we have removed the controls and placed our faith in private competitive enterprise. By the terms of this bill, wartime regimentation methods are retained, but not to meet our own needs—only the needs of the foreign country.

Naturally, the results of a measure like this will depend largely on the administration of the act. This bill proposes creation of a new office—the Administrator of Import and Export Controls. This official will have authority to administer the far-reaching powers granted by this

act. Mr. President, in that statement I think the Senator from Oklahoma has the answer to how the question he asked today will be answered. All those questions will be answered by the administration that is appointed to look after this act. Only one real safeguard against the Administrator's abuse of those powers is provided by this bill. That safeguard is that he must be confirmed by the Senate. We can assume that the man appointed to this post will be someone hand-picked to place the demands of foreign claimants ahead of our own needs. If this bill is enacted, I hope that the Senate will scrutinize that appointment very, very closely.

Mr. President, I am stating my thoughts for the record in the hope that they may receive consideration in the conference committee. I regret that I did not take occasion to bring all these points to the attention of the Senator from Kentucky in my conference with him a few days ago, and I wish to assure him again that my comments are not intended to reflect on the splendid job he has done. Legislation of this type, granting general powers to an administrator whom we do not now know, is exceedingly difficult to draft. I have no doubt whatever that the Senator in charge of the bill is anxious to deal fairly with all interests concerned. I hope he will find it possible to consider my comments carefully in the drafting of a conference report. When the name of an administrator is presented for confirmation, I have no doubt the Senator from Kentucky will join with me and other Senators in considering most carefully the qualifications of the man selected.

Regarding the matters that I discussed with the Senator from Kentucky in our conference, I should like to bring them up at this time for the RECORD. I presented two particular problems to him for consideration. One of these dealt with the granting of export licenses to various individual exporters and the basis for dividing up the volume of authorized shipments among such exporters. That matter has already been covered by the amendment the Senator from Oklahoma has presented today. I pointed out that the present practice is to grant such licenses almost entirely to old, established firms, thus virtually cutting out any newcomers who might desire to enter the export field in that commodity. I had particular reference to the export of flour. I understand that the Senator planned to include in his report a recommendation that the basis for such grants of export licenses be reviewed by the administering authority. I wish to express the hope that this review will result in the granting to new firms of a substantially larger proportion of the licenses.

In regard to the second point of our discussion, let me say that I have proposed an amendment which was read by the clerk just a moment ago. That amendment provides that the sale of grain and grain products to foreign purchasers for export shall not be performed or conducted by any agency or department of Government. I wish to make it

plain to the Senate that this amendment, when adopted, will not interfere in the least with any Government agency which acts as a representative of the Army in connection with the purchase of wheat or other commodities for delivery to occupied territories—for instance, either to Greece or elsewhere—where the Government is conducting a program of that kind; but the amendment will apply to foreign agents who come to the United States with foreign money to purchase such commodities, and are, I think, rather anxious to deal directly in private trade.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. HICKENLOOPER. I should like to ask the Senator what will be the effect of the amendment, if adopted, upon the domestic supply. For instance, if there is a substantial shortage of corn this fall and winter, and if the domestic feeders, who normally use corn, are forced to turn to the use of a substantial amount of wheat for feed, and have to go on the domestic market to obtain that wheat, what will be the effect of the Senator's amendment in preventing invasion by foreign purchasing agents, either public or private, who might come to the United States and, by their purchases, further inflate the corn market and further inflate the wheat market, in the absence of some authority to control the exportation of those grains from this country? I think we must consider those needs for grain, in addition to the need for grain for feed.

Mr. BUTLER. I say to the Senator from Iowa that there can be no doubt that wheat will be used to a great extent in the coming season as a substitute for corn, because there will definitely be a shortage in the corn crop. In fact, the United States has never produced a surplus of corn. To be sure, some corn has been exported; but we have never produced a surplus of corn. We have produced a surplus of wheat during a number of years, and this year the surplus will be larger than usual—which is fortunate for the world.

I can see no reason why the cost of the wheat which will go into international channels should be higher or even as high, if the commission that the Government agency gets is saved, because the Government agency buys from the local dealer every bushel it gets for foreign delivery, and the local dealer will be just as anxious to sell directly to a foreign trader as he will be to sell to the Government and to have it sell, in turn, to the foreign trader. That will make no difference to the local dealer, so long as he is paid the same price.

Mr. HICKENLOOPER. As I understand the Senator, he states that, under the present set-up, the Government charges a brokerage fee or an elevator fee at the warehouse on that grain, in addition to the normal charges in the regular course of the grain business. Is that correct?

Mr. BUTLER. The figures show the total commission less the amount of 4.8 cents a bushel, or rather close to 5 cents

a bushel. As the price of wheat advances, it usually will be 5 cents a bushel.

Mr. HICKENLOOPER. In case the Senator's amendment is adopted, will it mean that there will be no controls on the export of grain from this country?

Mr. BUTLER. There will be exactly the control which exists at the present time. A certain number of bushels of grain will be allocated for shipment to certain places. The only change will be that the business will be done by private enterprise, instead of by a Government agency.

Mr. HICKENLOOPER. So instead of having a Government agency do the purchasing and, incidentally, charge a brokerage and storage fee, in addition to the charge made by regular business, the Senator proposes that the countries or areas to be benefited under the allotment be authorized to purchase directly from the local dealers; is that correct?

Mr. BUTLER. Yes.

Mr. HICKENLOOPER. And the Senator believes that such a provision would not in any way create an unlimited scramble by foreign countries to purchase grain in this country willy-nilly, without regard to allocations; is that correct?

Mr. BUTLER. I do not know that there is any law that prevents a foreigner from coming to the United States today and bidding what he wants to bid for grain; but no buyer is going to pay any more than he has to pay, of course.

Mr. HICKENLOOPER. They come under allotments now; do they not?

Mr. BUTLER. Yes, and they have to get a license for shipment.

Mr. HICKENLOOPER. Would the same regulations and arrangements in regard to allotments and licenses apply under the Senator's amendment?

Mr. BUTLER. Yes; absolutely the same.

Mr. HICKENLOOPER. There would be no change in that situation?

Mr. BUTLER. Not at all.

I wish to repeat that I think the effect of my proposal will be to reduce the cost to the foreign purchasers and foreign consumers by a total of from \$15,000,000 to \$20,000,000, as compared with the arrangement which has been used for the last several years.

Mr. HICKENLOOPER. Has the Senator any information as to whether the Government agencies now in charge of these allocations and the procurement of this grain believe that the amendment would in any way handicap either the fair allocation of grain to devastated countries and other countries, or the protection of the domestic market? Is there any question that under the amendment it will be difficult or impossible to protect the domestic market as well as it can be protected now?

Mr. BUTLER. I must say that I think the answer to that question is that the Government agencies are not necessary in this operation. I have not the slightest prejudice against the gentlemen who are handling the business; in fact, I am perfectly willing to commend the kind of job they have done. But it is entirely unnecessary to add that agency between

the shipper or the producer and the foreign consumer. Attempts have been made for years, both in this Congress and in previous Congresses, to do away with unnecessary middlemen. So in this way we have attempted to remove one middleman who otherwise would be interposed between the grain bidder and the grain consumer.

Mr. HICKENLOOPER. Does the Senator think that the adoption of his amendment may be expected to reduce, at least to some extent, Government employment in this field?

Mr. BUTLER. The Senator from Iowa has touched upon what is probably the vital point. I have no doubt that several hundred persons are employed in handling this program at the moment; and if the change proposed by the amendment is made, they will have to find other work, either in or out of the Government.

Mr. HICKENLOOPER. I thank the Senator.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. LUCAS. As I understand the Senator's amendment, the grain dealers finally will have to go through the Government in order to obtain the allotments provided by the Government. That is true; is it not?

Mr. BUTLER. Of course, the allotments are handled by the agency that is provided.

Mr. LUCAS. Yes; the allotments are handled by the Government agency. In any circumstances, after the agents buy the grain, they have to go through the Government agency; do they not?

Mr. BUTLER. That is correct.

Mr. LUCAS. And they have to handle the grain through the trade, and finally they have to say where it is going to go, and they have to arrange for the allotments; and those who are handling the grain for the trade must ascertain, through the Government agencies, exactly where they are going to place the grain.

Mr. BUTLER. The Government agency makes the program of allocation, and I think that the word the Senator used in saying they handled it is an improper word under this arrangement. They would direct the course of the grain, but under the provisions of this amendment they would not actually handle the grain.

Over the years, the United States has built up a strong and competitive grain-export trade. Many of our exporters have agents or representatives in many foreign countries—in fact, they are in every country where grain is purchased—and they are eager again to resume the export business that has in large measure been denied them since the beginning of the war. At present, the Department of Agriculture largely handles the export of grain and grain products. Various gestures have been made by that agency to return this business to private firms, but it is still almost entirely in the hands of the Department of Agriculture's Commodity Credit Corporation.

My long interest in the grain trade has prompted me to inquire of experienced

men in the export grain trade whether they are now prepared and equipped to take back this business. I have been assured that they are (1) able to move grain from the interior to seaboard as readily as any Government agency, and (2) that grain in loading position at port will not be delayed. These men have testified before the subcommittee of the Committee on the Judiciary where they recorded their trade's position in favor of continuing allocation control of exports by our Government beyond June 30 so long as the present world food shortage exists.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. BUTLER. I yield.

Mr. HICKENLOOPER. At the present time, the Government is handling the grain, buying it and handling it at the elevators, and transporting the grain after it purchases it. The Government turns the grain over, or sells it, to the foreign purchaser under the allotment. Do the Government representatives follow the grain in any way after the transaction is completed with the foreign purchaser, or does the Government supervision stop at that point? What I am trying to learn is whether the Senator's amendment would open up a field of internal speculation in the country of purchase, that does not now exist, because of any possible failure of the Government to follow through to ascertain the use to which the grain is put on its sale in such country?

Mr. BUTLER. Not in the least, I will say to the Senator, because the foreign claimant, under the present arrangement, in dealing directly with the Government agency, furnishes the ship and the transportation at port, and the responsibility of the Government agency, or a private firm, in the business would end when they had loaded the grain on the ship that was purchased by the foreign purchaser.

Mr. HICKENLOOPER. From that time on it is their grain?

Mr. BUTLER. It is their grain.

Mr. HICKENLOOPER. It is the purchaser's grain, and we do not follow it with any restrictions or regulations as to what they shall do with it after they purchase it and deliver at the port of embarkation has been completed. Is that correct?

Mr. BUTLER. Not in the least.

Mr. HICKENLOOPER. There is nothing in the Senator's amendment that would change that situation?

Mr. BUTLER. Not a thing.

I was just mentioning the fact that, in my conferences with leaders in the grain trade, they assure me they are able to move the grain from the interior to the seaboard, and they are also in position to take care of it at port when it arrives. These men testified before the subcommittee of the Committee on the Judiciary, where they recorded their trade's position in favor of continuing allocation control of exports by our Government beyond June 30, so long as the present world food shortage exists. They felt that if the allocation terminated on June 30 it would permit unfair and confused distribution in a world where supplies are still short.

I might say again that I am not interfering in the least with the program that is intended to avoid that confusion at the moment. I am in entire agreement with these statements.

Nearly 2 years have elapsed since the cessation of hostilities, and this agency still retains a monopoly on the export of wheat. It has failed to abandon this wheat monopoly of its own volition. Only by legislation can it be compelled to cease engaging in private trade. Here in Congress we have been concerned with methods to impress other nations with the advantages of free enterprise. It does not seem logical that we should attempt to demonstrate those advantages when we deny to free enterprise in this country the right to return to a business field which a Government agency has usurped and refuses to abandon.

In its statements before the subcommittee headed by the Senator from Kentucky, the export-grain trade's representative has made a clear case for the return of this export business to private business firms.

I want again to read the statement that is in the Senator's report, wherein he says:

It is the opinion of the committee that the procurement of wheat should be returned to trade at the earliest moment.

The proviso, while it does not mention wheat, refers to grain and grain products, which would in a practical result affect only wheat, so far as I know.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BUTLER. I yield to the Senator from Texas.

Mr. CONNALLY. Has the Senator given attention to the aspect of this case that relates to Central and South America? I have been receiving telegrams from grain dealers complaining that restraints on shipping to Central and South America should be removed. What does the Senator say about that?

Mr. BUTLER. I have had no telegrams, I will say to the Senator. I am speaking only my own convictions, after having conferred with the author of the bill, read the report, and studied the bill as to how it might affect private enterprise in this country.

Mr. CONNALLY. If it would not interrupt the Senator from Nebraska, I should like to hear the views of the Senator from Kentucky upon that matter.

Mr. BUTLER. I yield.

Mr. COOPER. May I hear the question of the Senator from Texas?

Mr. CONNALLY. Certain of the dealers want no restraint at all on the shipment of grain to Central and South America. Of course, I understand the answer of the Department is that if there were no restraint, the brokers in Central and South America would do all the business with the foreign nations.

Mr. COOPER. The matter was brought before the committee. It was the committee's opinion that if grain shipments to South America were placed under general license, some of the grain would go promptly from South America by reexportation to Europe.

Mr. BUTLER. Mr. President, I should like to make it plain that the provision of my amendment does not interfere

with the allocation of grain or of any other commodity; the Government would still allocate and control shipments.

In its statements before the subcommittee headed by the Senator from Kentucky, the export grain trade's representative has made a clear case for the return of this export business to private business firms. There will be neither confusion nor delay in handling by the private trade. The private exporters, in fact, now sell to the exporting Government agency much of the grain exported. There is no reason to believe that their price, if selling direct to a foreign buyer, will be any different than if they were selling to a Government agency. As matters now stand, the Government agency, the Commodity Credit Corporation, after buying from the private trade, adds its own service fee. And this added fee tends to increase the cost to foreign nations.

The Commodity Credit Corporation already acts as the procuring agent for the Army to fill its food needs in occupied areas.

I propose to make no change in that respect. In testimony before the subcommittee, Army representatives stated that delivery to occupied areas of foodstuffs procured by Commodity Credit had not been on schedule; that the failure to maintain scheduled deliveries has brought on recurring food crises in Germany. I believe that this nonadherence to schedule has now been rectified. I trust that deliveries will continue on schedule. One way to assure this is to lighten that agency's self-inflicted load, and remove from the orbit of its activity the sale of grain and grain products for export to foreign claimants—not to the Army, not to occupied zones abroad, but to foreign buyers of American grain.

The export grain trade is not alone in its opinion that this business should be returned to the private trade. Before the Judiciary Subcommittee, a representative from the State Department gave it as his personal opinion that this was a proper function of private trade. President Truman's Export Coordinator, Captain Conway, stated that in his opinion, since the private trade had handled successfully the export trade in coal and other commodities and since he was familiar with the efficiency of the private grain trade, the private grain trade could successfully handle the sale of all grains for export.

I submit this question: If the private trade has successfully taken care of the problem in connection with the export of coal and all the other 397 items under the administration of the present controls, why, in the name of common sense, should they keep control of the export of wheat under one Government agency?

In justifying the service fee charged foreign purchasers, the Under Secretary of Agriculture in a letter to the Senator from Kentucky stated:

It is our opinion that the cost to claimants of the grains and grain products sold by the Department is on the average comparable to the prices for the same commodities for the same period of time sold by the trade.

But from each such service fee or mark-up probably comes a profit. And from that profit can be built an apparent

justification for the employment of Federal employees at the expense perhaps of the needy and starving of Europe for whom we have so recently appropriated huge sums for direct relief. Why should this profit be realized at the expense of the American taxpayer or the needy for whom we have demonstrated our concern? This is particularly difficult to understand when one remembers that the profit comes by retaining an export organization within the Government that duplicates the organization in private trade.

The report of the House Committee on Appropriations, at page 35, indicates the extent of the activity of Commodity Credit in the export field and the cost, in addition to the service fee, that is incurred by foreign purchasers who must buy from it. There you will find listed six activities in which this Government agency engages. Two are concerned with export activities. There you will note that all these activities will require \$11,500,000 in the fiscal year. But note, \$3,000,000 of this amount will be received by transfer from UNRRA, foreign governments, and other sources for services rendered. No mention is made of any receipt from the Army for procuring goods for that Department. I understand that UNRRA is not functioning after June 30. It would appear that foreign governments and other sources will make the major contribution. I believe I am safe in saying that those receipts from foreign governments and other sources will keep a large number of people employed in our Government.

Mr. President, I feel that those of us who believe in competitive free enterprise must clearly indicate in this measure whether we want to continue Government in competition with business or whether we want to give to business the opportunity to return to its historic field. I believe that what is about the only commodity still handled by the Government in this way, and I see no reason why it should not be returned to private enterprise. I am therefore presenting the amendment in the hope that the Senator from Kentucky will accept it.

Again, Mr. President, I quote from the words of the report of the committee that "The program of wheat should be returned to the trade at the earliest moment." I hope the Senator will accept the amendment, and that it may be adopted and taken to conference.

Mr. YOUNG. Mr. President, the amendment offered by the Senator from Nebraska, which would take from the Commodity Credit Corporation the authority to handle purchase of foreign shipments of grain, would, in my opinion, be disastrous to the farmers of America and perhaps very expensive to the consumers of America and of the foreign countries buying our grain for food.

Last year I criticized the Commodity Credit Corporation for not entering the market in the fall during the heavy marketing season and purchasing grain when grain was cheaper. At that time I understand that it was practically impossible for the Corporation to do so because the Government did not anticipate just how much foreign grain would be required, and foreign nations had not ordered as early as they might have. As a result we

had cheap wheat last fall and much higher priced wheat during the winter and in the spring, and that higher price prevails now.

If this amendment should be adopted, we would have one of the wildest fluctuating markets I think this country has seen for a long time in grain. If the amendment is not adopted, the Commodity Credit Corporation now has pooled orders to the extent that they can purchase continuously approximately 14,000,000 tons of wheat a month from now on during the heavy marketing season. That will have a healthy effect on the market, because it will level prices off now, preventing too low prices, and will allow the Commodity Credit Corporation to make its purchases while the marketing is heavy. Then in the spring, when wheat is not so plentiful, the CCC will have purchased its grain and can stay off the market.

Mr. BUTLER. Mr. President, will the Senator yield for a question?

Mr. YOUNG. I would rather not for a moment. If the amendment is adopted, the following will result: There are many foreign countries now wishing to purchase American wheat. These orders will be bunched up. Perhaps one-half dozen countries will order in one week. As a result the grain trade will enter the market with unusually heavy purchases and push wheat up 30 cents, 40 cents, or 50 cents a bushel. The next week or two there probably would not be any orders, and as a result the price of wheat would drop again. That is something the Minneapolis, Omaha, Kansas City, and Chicago markets want. They make more money on a wild, fluctuating market.

Mr. President, I hope the amendment will not be adopted. It is a part of the program of the grain trade which has been going on for many months to destroy the operations of the Commodity Credit Corporation, which supports prices and is trying in every way possible to level off prices and to support farm prices at levels authorized by law.

I yield now to the Senator from Nebraska.

Mr. BUTLER. The Senator from North Dakota apparently thinks the Commodity Credit Corporation's handling of the export grain has been beneficial to the producer and the consumer here in America. Why not apply the same reason and have the Commodity Credit Corporation handle all the domestic business? Then we would have no competition whatsoever.

Mr. YOUNG. I do not think that reasoning would apply. Wheat is the staff of life. Wheat and corn comprise largely all the purchases the Commodity Credit Corporation is making for foreign food supplies. It is the governments of other countries largely that are making the purchases through the Commodity Credit Corporation and not individuals. By getting all the orders for grain the Commodity Credit Corporation can continue a day-to-day program for the purchase of commodities without disturbing the market to any great degree.

Mr. BUTLER. I should also like to say to the Senator, who is my very dear friend and a tiller of the soil, as I claim

to be myself, that I hope that he does not think I am speaking for the grain trade, because I have had the same interests in the grain trade ever since I have been in the Senate that the distinguished Senator from North Dakota has, that is, producing a few bushels for the market for my own account. That is the only interest I have in the grain trade as such. But I think it is only right that the members of the grain trade should have the same opportunity at free enterprise that every other enterprise has which is covered by the bill before us. Why exclude wheat and wheat alone? Why not put all these commodities under the control of the Commodity Credit Corporation? If the argument with respect to wheat is good, why not include all the commodities listed in the report?

Mr. YOUNG. I would agree with the Senator from Nebraska for whom I have always had a high regard, that so far as we can we ought to get back to the free enterprise system, but we ought not to do it at the expense of the consumers of this country and other countries when it is not necessary at the present time to do so. The grain trade is being taken care of well and can wait a few months more until conditions are more normal.

Mr. BUTLER. I also wish to say again to the Senator that I have received some telegrams from grain dealers which I have not even had time to read, only about half a dozen of them. The telegrams were from firms with which I am not personally acquainted. I have not had time to give them personal attention. But the grain trade have told me over the past several years that the Commodity Credit Corporation has been handling the grain market, that the Commodity Credit Corporation is the only real bull in the market; that the fluctuations of the market have been due entirely to the doings of the Commodity Credit Corporation rather than to individual members of the trade. When we are subject to the whim or the opinion of one organization, it is not well. The Senator will agree that they can put the market up 5 cents, 10 cents, or 15 cents a day by accumulating a bunch of orders, or they can cause the market to fall 5 cents, 10 cents, or 15 cents a day if they go out of the market. That is certainly what they are doing. The fluctuations which have occurred in the grain market have been due to the program adopted by the Commodity Credit Corporation. We see less fluctuation under private enterprise, when hundreds or thousands of dealers are engaged, than when the business is in the hands of one person.

Mr. YOUNG. Mr. President, I think the Senator from Nebraska is unjust in his accusation. The Commodity Credit Corporation was not to blame for the fact that all these orders for wheat for foreign countries came in all of a sudden during the past winter. They had to make these purchases both for the Army and for foreign countries, and as a result of this alone wheat went up. I will say to the Senator that if the matter were turned over to the grain trade now the business of buying would be con-

ducted on no more than a month-to-month basis and probably on only a week-to-week basis. On the other hand, the Commodity Credit Corporation has a considerable number of orders, and as a result can purchase their needed supplies in a much more orderly manner than would ever be possible by purchasing through hundreds of individual buyers.

Mr. BUTLER. The same thing would apply in the handling of domestic business, would it not?

Mr. YOUNG. There is no purchase of American goods on a large scale such as there is of wheat, where for instance a country wants 100,000,000 bushels of wheat right now or its people are going to starve to death. Present conditions are extraordinary.

Mr. BUTLER. A very small percentage of grain transactions are for shipment abroad. The bulk of the grain transactions are handled here at home. If it is well that the principle be applied to wheat, why not apply it to the other commodities listed in the report?

Mr. YOUNG. I think it was stated a while ago that we were going to export between 300,000,000 and 500,000,000 bushels of wheat this year. All the orders may come in within a month. If the matter were left to private trade, considerable fluctuation in price could result.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CORDON. In view of the fact that the present procedure indulged in by the Government in connection with export control will be continued under the amendment offered by the Senator from Nebraska, and in view of the fact that the procedure involves, among other things, the allocation by the Government not only to a certain identified country or group of countries, but also in certain specific amounts, and over quarterly periods of time, in view of the fact that that control will still remain as it has in the past, and as it operates now in respect to other commodities—and I have particular knowledge of lumber—how can there be any real unsettlement of the wheat market?

Mr. YOUNG. They may say, "We will not issue a permit until perhaps next week." These orders may be all purchased at one time on the market.

Mr. CORDON. The maximum amount of grain permitted to be purchased within a given period of time is set by the Government, and then the license is issued to the exporter under which he may purchase the wheat for foreign sale. That is all controlled by the Government even under the amendment of the Senator from Nebraska. Does not the Government then have complete control of the purchase and sale of the wheat, as it would have at the present time, with the single exception that, on the basis of the amendment of the Senator from Nebraska, the Government would issue licenses and the trade would go into the business, or, rather, back into the business of handling foreign export?

Mr. YOUNG. No; I think the Senator is mistaken. The only control would be over the amount. There would be no

control over the time purchases would be made. This dealing in grain is mostly between various nations. Foreign governments purchasing through hundreds of different grain-trade interests of the United States would present another problem. One grain commission firm on the Gulf might have part of a shipload, and another might have part of a shipload, and so forth. A single firm would have to wait until it got a shipload before it could ship the grain. Under the present arrangement, the operations of the Commodity Credit Corporation are all under one agency. When it has enough for a shipload, it fills the ship from one spout.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. BUTLER. I should like to submit for the RECORD a letter which comes from the Director of Export Grain Traffic of the North American Export Grain Association, a gentleman whom I have never seen or known personally. He writes a letter on that particular point. The Commodity Credit Corporation has claimed that it could handle grain at the port to advantage, as compared with the private trade.

Mr. YOUNG. From whom is the letter?

Mr. BUTLER. The director of export grain traffic for the North American Export Grain Association. He answers the point which the Senator has made, that the Commodity Credit Corporation, loading the grain from one spout, is in a better position to load grain for export than any group of private traders. I shall not take time to read the letter, but I desire to place it in the RECORD. It gives figures and dates as to loadings at the port of New Orleans, and answers very definitely the contention made by the Senator. It shows that the Commodity Credit Corporation cannot do and has not done as good a job as private trade in loading vessels for shipment abroad.

Also I ask unanimous consent to have printed in the RECORD a letter dated June 18 from the North American Export Grain Association, which answers many of the other points which have been brought out in this discussion.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 2, 1947.

HON. JOHN SHERMAN COOPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR COOPER: Pursuant to your suggestion of today we are herewith presenting some comments which are additional to our letter of June 18, copy attached, on Under Secretary Dodd's letter to you on June 9, 1947, in which there are numerous statements that require exceptions by this association since they represent either misinformation or a deliberate attempt to mislead the committee.

In the fourth paragraph the Under Secretary states "It is realized that it is not practical for the trade to assemble large stocks of grain and grain products in export position without assurance that they will be exported." This is an ambiguous statement for the reason that neither would it be practical for the Department of Agriculture to accumulate such stocks without the assurance

that they will be exported. The answer, of course, is that the Department of Agriculture well knows that they will be exported, and all we request is sufficient advance information from the USDA concerning allocations, even though tentative, to be able to do exactly the same job.

We deny his statement that better use of transportation and port facilities can be made by the Department of Agriculture. This is a categorical statement buttressed only by the comment that there has been some difficulty at New Orleans, La. The only knowledge that we have of any operating difficulties at New Orleans, La., occurred in January 1947, and during that month the relative position of the export-grain trade as compared to the Department of Agriculture was as follows: On January 1, 1947, the grain trade had in, or en route to, New Orleans, 714,000 bushels of corn. There were in New Orleans for account of the Commodity Credit Corporation on the same date 700,000 bushels. On January 10, the Commodity Credit Corporation had cleared 1 cargo and their stocks had dropped to 406,000 bushels while the stocks of the trade for direct export had risen to 892,000. On January 17, the Commodity Credit Corporation stocks were 350,000 and the trade's remained at 892,000. On January 24, Commodity Credit Corporation's stocks were 700,000 while the trade's holdings had dropped to 327,000. On January 31, the stocks of Commodity Credit Corporation were difficult to estimate due to the fact that at the request of Captain Conway's office, members of the association had discontinued reporting stocks on hand against Commodity Credit contracts because these figures were being duplicated to some extent by direct reports from Commodity Credit Corporation. However it is assumed that on January 31 they still had the 700,000 bushels while the export grain trade's holdings were 340,000 bushels or 1 cargo.

The figures quoted above represent only quantities held, or en route, to New Orleans by members of the North American Export Grain Association which is only a small part of Commodity Credit Corporation's total purchases and to that extent the figures are not truly representative because Commodity's holdings were undoubtedly much larger several times during the month.

During the month of January the Association's export office in Washington made weekly written reports to Mr. William McArthur, deputy director, Grain Branch PMA, as well as repeated telephone calls to his office informing him of the critical situation that was developing and suggesting that his Chicago office be instructed to accept delivery of these quantities from the grain trade and schedule them for loading from the port. Instead of doing this, however, the contracts were not called but delivery was requested from other sources which did not then have their corn in New Orleans. This contradicts their representation that they move stocks to best advantage. Captain Conway's office was kept fully informed of these developments and we submit that if there was any congestion in the port of New Orleans in January 1947, it was the fault of the Department of Agriculture rather than of the grain trade.

In regard to the Under Secretary's explanation of the pricing policy, particularly the mark-ups of 1 percent for damage, deterioration, and other contingencies, plus 1 percent for administrative expenses, it will suffice to point out that for \$2.40 wheat these mark-ups amount to 4.8 cents per bushel which is far in excess of any profit margin taken by the grain trade. To the extent that the charges added by PMA exceed those commonly taken by the trade it means a depletion of funds available for food purchases.

* The Under Secretary refers to the transportation priority which the Department of

Agriculture has been granted, but fails to point out that this priority extends not only to Department of Agriculture operations but to the movements of all export grains, which are a part of the allocated program, therefore, the grain trade has equal access to the transportation priority.

Another statement from the letter is quoted verbatim, "The quantities of grain actually exported for any period are difficult to arrive at because of the lack of definite information from the trade concerning shipments made by the trade." The Under Secretary is apparently ignorant of the fact that the Washington office of the North American Export Grain Association makes a written report to the Department of Agriculture with copies to the ODT and Captain Conway on Monday of each week giving the position of the trade at the close of business on the preceding Friday. These reports show the quantities due each claimant at each port, stocks on hand, or en route, and the approximate interior location of the balances to be moved to the particular ports. This report also includes complete and detailed information on clearances for the previous week showing the recipient, the name of the vessel, the quantity loaded, and the date of clearance. Captain Conway's office has stated on several occasions that they wish agriculture reports were as complete and comprehensive as those of the trade.

Respectfully yours,

O. W. SALISBURY, Jr.,

Director of Export Grain Traffic.

By direction of the acting president.

• JUNE 18, 1947.

The Honorable JOHN SHERMAN COOPER,
Chairman, Senate Judiciary Committee,
Senate Office Building, Washington, D. C.

DEAR SENATOR COOPER: I have been informed that a letter written to you by Under Secretary of Agriculture N. E. Dodd has been made part of the testimony presented to you in connection with the question of extension of export controls. Under the circumstances, I request that I be permitted to answer some of the statement and contentions of the Under Secretary.

The figures given by Mr. Dodd in the third paragraph of the first page have somehow become garbled and are meaningless, but I suppose that a correction has been offered by the Under Secretary.

The statement that "better use of transportation and port facilities can be made if the Department owns all of the wheat" is not borne out by the facts.

In the handling of corn by the export trade transportation facilities have been efficiently used and no congestion has resulted at any of the ports. The case of New Orleans is twice mentioned by Under Secretary Dodd. It is a recognized fact in the grain business that the elevator at New Orleans, being a city-owned-and-operated establishment, is the worst-run elevator anywhere in the country. Actually, the congestion at New Orleans was mostly of Commodity Credit Corporation's own making and was aggravated by the fact that CCC was unable to obtain from the elevator manager a correct statement as to their stocks of corn in the elevator and as to the condition of these stocks. Some high-moisture corn had gone out of condition, but no detailed information was available.

Both CCC and the grain trade were confronted with an extraordinary and most exceptional situation and should hardly, in all fairness, be taken as an example of what will occur if the grain trade should handle a large share of the wheat export business.

Mr. Dodd expresses lack of understanding of the approximate market price stated by me of \$2.35 per bushel for No. 1 hard winter wheat at the Gulf for July shipment. In an attempt to disprove the correctness of this

price, he states that Chicago July futures closed on May 28 at 2.41½ and Kansas City at 2.33½. It is true that I testified for the first time on May 28, but the market price mentioned by me was in reference to contracts written after May 28 and before June 4, when I testified again. As it happened, the close of Chicago was the highest on May 28, being 2.41½, but was as follows on subsequent dates: May 29, 2.35¾; May 31, 2.31; June 2, 2.25¾; June 3, 2.30.

Cash wheat for delivery at the Gulf during July, at that time was available at approximately July price, track, to which should be added 1½ cents per bushel to arrive at the f. o. b. price, so that—on an average—the price stated by me was on the high side.

As a matter of fact, up to the present time, Commodity Credit Corporation has bought somewhat over 20,000,000 bushels of wheat for which they paid from \$2.46½ for delivery not later than June 15, which is worth a premium because of early shipment, to \$2.23½ for delivery by July 31.

Mr. Dodd's statement shows that, in addition to 1 percent for administrative expenses, which he acknowledges is for the purpose of maintaining a large bureaucracy, the Department makes a charge of 1 percent for damage, deterioration and other contingencies, as the recent loss of flour and rice at Texas City, and losses in connection with grain shipped on the Lakes. All losses, of course, except possibly that of deterioration, can be covered by insurance at premiums which run from ⅛ to ¾ percent and which, as a matter of fact, are, in most cases, separately charged for. As far as deterioration is concerned, this is an item for account of Commodity Credit Corporation only if they purchase grain in the interior on interior inspection, which is done only part of the time, and then—in most, and probably all—cases the deterioration in the last analysis is for account of the foreign buyer because, simply, grain of poorer quality or lower grade is loaded against the commitments made by Commodity Credit Corporation, and the cost, which is charged to the foreign country, remains unchanged.

Actually, practically the only cases of deterioration are in corn which, as stated above, in all probability, are paid for by claimant nations. The conclusion is that Commodity Credit Corporation charges a total of 2 percent which, on wheat at \$2.75 per bushel, is equal to 5½ cents, which is four or five times the profit which an exporter could obtain in competition with other exporters for the same services.

The Under Secretary, in the last two sentences of his letter, presents the best argument that could be made for the handling of this business by the export grain trade. Among other things, by what he says he proves that a contract with an exporter is a great deal more binding than a contract with the Department of Agriculture. When exporters make commitments to foreign claimant nations, they do not do so subject to their ability to acquire grain, nor are they excused from making delivery due to any cause beyond their control, but these contracts by the export grain trade are absolutely binding at a fixed price for a fixed grade of grain for a fixed period of delivery, and are only subject to a specific strike clause extending the period of delivery for the amount of days that a strike may be in effect during the delivery period.

Contracts are established between sellers and buyers which give both equitable rights and which are based on the experience of many decades in the buying and selling of grain for export.

I want to point out once more than foreign claimant nations, with very few exceptions, prefer to make their purchases from the grain delivery trade exactly because of the reasons stated just above but, obviously, most of them are reluctant to state so in public be-

cause they are dependent upon officials of the Department of Agriculture for consideration and sponsorship of their eventual allocations of American grain before the International Emergency Food Council. They are most anxious not to antagonize these officials for fear that any statements made by them against the Department of Agriculture may be reflected to their disadvantage in the granting of allocations.

I avail myself of this opportunity to confirm telegram sent you on June 13 pointing out that the prospective increased wheat production in this country has brought about a closer adjustment between supplies and requirements. Therefore, any legislation extending export controls should end on December 31, 1947, for the purposes of review and reexamination of all statistical data then available.

Respectfully yours,
NORTH AMERICAN EXPORT GRAIN
ASSOCIATION,
—, Vice President.

Mr. YOUNG. Mr. President, I ask the Senator from Nebraska if it is not true that the grain trade is generally opposed to any sort of farm-price-support program.

Mr. BUTLER. No; I cannot say that it is. If the Senator asks my opinion, I will say that members of the grain trade—and I am not one of them—have profited more during Government control than they ever did under private operation, because when they are all free to get whatever business they can on their own, prices are much lower, and the margins of profit are much lower than they are under the control which we have had.

Mr. YOUNG. All of the grain-trade interests I have talked with are opposed to farm-support prices. Why would they not be satisfied to continue for 3 or 4 months, say, until the first of the year, when the heavy purchasing season will be over?

Mr. BUTLER. I am looking after the interests of the American taxpayer, and not those of members of the grain trade. I also have in mind consumers abroad who are paying between \$15,000,000 and \$20,000,000 to maintain a government agency to represent them here. I should like to see them get their food that much cheaper.

Mr. YOUNG. The Senator from Nebraska knows that in the Argentine the present price of wheat ranges between \$5 and \$6 a bushel. If the Senator does not want controls, and wants \$5 or \$6 wheat, which is a detriment to both the consumer and the producer, then let us eliminate all controls. Farmers do not want boom-and-bust prices. They are always fearful lest \$3 and \$4 per bushel wheat might be followed by 30-cent wheat.

Mr. BUTLER. We are not eliminating the controls. We are maintaining and continuing every control we have had. My amendment does not propose the elimination of a single control. It merely proposes that private trade, instead of the Commodity Credit Corporation, shall fill the orders.

Mr. AIKEN. Mr. President, I hope that all matters of trade now handled by the Government may be restored to private industry as soon as possible. I do not intend either to defend or condemn the Commodity Credit Corporation.

I think it has done as good a job as it could have done, although it has made a great many mistakes in the process.

This discussion has centered around wheat. There are several farm commodities which have greater monetary value than wheat. One of them is dairy products. At the present time the Commodity Credit Corporation is keeping the dairy market from absolute collapse, and has been doing so for 2 or 3 months, by buying surplus milk in the form of powdered milk and selling it to foreign countries, in order to obtain a market. If today the Commodity Credit Corporation were not in the business of buying powdered milk and reselling it in foreign countries, we should see a severe collapse of the market for dairy products in this country, and as a consequence we should find a severe shortage of dairy products for the consumer next winter, with prices going sky high.

I have heard no complaint from private industry over the Government buying powdered milk and reselling it to France, Belgium, and other countries. In fact, private industry seems to think that that is a good way to dispose of it and stabilize the market, because the dairy industry does not want fluctuating markets.

The amendment of the Senator from Nebraska applies not only to wheat; it applies to all other commodities, as I understood it when it was read. Therefore, I do not believe that we ought to adopt an amendment which is bound to have such far-reaching effect as the amendment which my good friend from Nebraska has offered. I do not believe that we should adopt something for the special benefit of wheat dealers. I think we should maintain controls as they are for a short time longer.

In the future we shall have surpluses to dispose of. We have promised the farmers of the country that we would maintain the prices of the basic commodities at 90 percent of parity until the 1st of January 1948. We have already had to make good in the case of potatoes. I believe that operation cost us about \$80,000,000. Not many of them could be shipped abroad. Some of them were. I would not deny the Commodity Credit Corporation the right to seek a market abroad for the crops which it has today, in order to maintain the domestic market.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. BUTLER. I think the Senator should understand that my amendment does not affect dairy products. It affects nothing but grain and grain products.

Mr. AIKEN. Does it not affect the products which the Commodity Credit Corporation buys and sells abroad?

Mr. BUTLER. It does not affect them at all.

Mr. AIKEN. I maintain that the amendment should have been printed so that we might know what we are voting on. Three or four days ago I learned that the amendment would be offered. There is no reason in the world why it could not have been printed. I do not believe that we should enact spe-

cial legislation in behalf of grain and grain products. If the result is an increase in the price of grain of \$2 or \$3 a bushel, it will certainly affect dairy products. If we permit fluctuation and gambling, we shall increase the domestic price of grain in this country sky high, just as it has gone in countries where there has been no control.

Mr. BUTLER. Today the farmer is not receiving even parity for his grain.

Mr. AIKEN. He can receive 90 percent of parity.

Mr. BUTLER. But he is not receiving parity.

Mr. AIKEN. Would he receive more than parity if the entire trade were returned to private dealers?

Mr. BUTLER. I have no way of reading the future, I will say to the Senator. But my amendment does not propose to change in the least the arrangement of the Commodity Credit Corporation for purchasing for Army needs abroad, or for occupied territory abroad. The Commodity Credit Corporation would still be the biggest buyer in the world for those purposes.

This amendment would take care of foreign claimants who come here and buy on their own. I think they want to trade with individuals. Once let the Dutch and Belgian traders come into a free market, offering whatever prices they see fit in competition for this grain, and we shall find that they will take it anywhere they choose and dispose of it at as high prices as they can get, even in their own countries. It belongs to them when it is loaded on the ship. No one can tell me that that will not result in a great increase in the price of grain in this country. I do not believe that it would be good for the country to have the price of grain fluctuate, because later it is bound to go down. The price of corn is approximately \$2 a bushel. That is more than parity, if I am not mistaken.

The price of corn will be higher than that of wheat.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. YOUNG. The support price of wheat is \$1.83 a bushel now, and the price which the farmer receives is at least 55 cents a bushel above that. The farmer would be tickled to death to sign a contract over a 5-year period for \$1.50 a bushel, rather than face the possibility of \$5 wheat this year and probably 30-cent wheat in a couple years.

Mr. AIKEN. The farmer is receiving parity now. We are going to have a surplus of dried fruits. The Commodity Credit Corporation will have to buy them and resell them in foreign countries. That is the logical place to get rid of them. Let us support the efforts of the Commodity Credit Corporation. Every grower is not supported by the Steagall amendment. Let us not mess things up.

Mr. COOPER. Mr. President, the amendment which has been offered by the Senator from Nebraska is of importance, and I hope that Members of the Senate will give it careful consideration.

What does the amendment propose to do? It is not proposed to remove export controls from wheat. It is proposed to

change the method of procurement of wheat. Today wheat is purchased by the Production and Marketing Administration of the Department of Agriculture, financed by the Commodity Credit Corporation. A license is given to the PMA to purchase wheat, and it is sold directly to foreign countries. The amendment of the Senator from Nebraska proposes that private exporters shall obtain licenses to purchase wheat from the farmers and arrange for its transfer to foreign countries.

I have great sympathy with the Senator's objective and I have great appreciation for his knowledge of the grain business, but after the careful consideration which was given it by the committee—and I cannot say that the committee's knowledge would approximate the Senator's knowledge of the grain business—the committee felt it would be an unwise thing to do. I will give, briefly, the reasons.

This year there will be exported approximately 14,500,000 tons of cereals, consisting of approximately 500,000,000 bushels of wheat and a large quantity of other grains.

That is compared with the peacetime average of a billion and one-half tons against fourteen and one-half million tons. First, there arise the problem of internal transportation, to get the wheat to the port, then the problem of external transportation to get it to the country of destination. The Office of Defense Transportation arranges for transportation to the port. There the Maritime Commission arranges for transportation overseas. The question of movement of such a large quantity is a serious problem, and it is probable that one purchaser can handle it better than several hundred. The PMA can program its purchases and can store wheat at the most logical and likely point for later shipment. If wheat is shipped near a port and it becomes necessary to change its destination, the change can be made without difficulty. If procurement is assumed by the trade, and a change of destination should be necessary, it would be necessary for the private exporter to work out some arrangement with another private exporter for a change in destination. A last point is the most important one. There are changes continually occurring with respect to the necessities and requirements of foreign countries. Because of these changes, it is difficult to make definite allocations of wheat to a country for long periods. If such allocations were made, and the trade contracted on the basis of such allocations, this country might later find itself without supplies to meet more urgent situations, except by repurchase. For example, of a private exporter had been given as allocation for 100,000 tons of wheat for France, and later it was found urgent to ship the wheat to some other country, it would be necessary to buy the wheat back from the private exporter or else the supply would be tied up.

I again say I have great sympathy with this amendment. We say in our report that control should be turned back at the earliest possible moment. There were criticisms made of the Government

purchase program which we thought justified, but in looking at the great objective of meeting the tremendous food requirements that will have to be met throughout the year, I think it would be dangerous to tamper with the situation at this time.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. COOPER. I yield to the Senator from Illinois.

Mr. LUCAS. I think the Senator will agree with me that what we need at the present time is the distribution of wheat in an orderly and equitable way. The Commodity Credit Corporation buys up the grain stored in warehouses throughout the country, and then when Belgium, for example, wants a hundred thousand bushels of wheat, within a week's time that agency of the Government is in position to deliver the wheat. Under this other arrangement there will be nothing but chaos and confusion, in my humble opinion, as far as orderly and equitable distribution of grain is concerned throughout the world.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Nebraska [Mr. BUTLER]. [Putting the question.] The yeas appear to have it.

Mr. BALL and Mr. BUTLER asked for a division.

On a division, the amendment was rejected.

Mr. COOPER. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. COOPER. Yes.

Mr. SMITH. On page 3 of the committee's report I find the following language:

Three techniques are employed in the licensing and export of allocations of food, as follows:

The third and most largely used type of license is that issued to commercial exporters against the country quota. Distribution of such licenses is fixed on a basis of 85 percent to historical exporters and 15 percent to newcomers.

Historical exporters are defined by the Department of Commerce as those who made shipment of the commodity concerned to the destination concerned during a base period considered appropriate after consultation with the trade and various Government agencies whose activities have given them knowledge of trade practices.

Mr. President, I should like to propound a question to the distinguished Senator from Kentucky, if I may. I have heard criticisms of this method of distribution, and I should like to ask, first, whether there is simply a regulation of the Department of Commerce, or whether there is any legislative authority.

Mr. COOPER. It is merely a rule or regulation of the Department; it has no legislative or legal validity.

Mr. SMITH. The criticism made of it is, as I think the Senator mentioned in his opening remarks, that another person wanting to go into business in this field is practically cut out because the so-called historical exporters have the field entirely in their own hands.

What possible remedy, under that proposal, would a new company composed of GI's, or anyone else, have?

Mr. COOPER. The Senator from Oklahoma has pointed out that the courts have held this type of arbitrary ruling invalid. Heretofore there has been no power of appeal from the rulings of the Department of Commerce. We have placed in section 5 of the bill the provision that sections 3 and 10 of the Administrative Procedures Act shall be applicable. Section 10 provides for the right of appeal. So I take it that if an applicant for license believes he has been unjustly discriminated against, he will have the right of appeal under section 5 of the bill.

Mr. SMITH. Is there any explanation as to what criteria would be used to determine whether he was rightly or wrongly discriminated against?

Mr. COOPER. If the contention of the Senator from Oklahoma is correct—and I believe it is—there can be no arbitrary division. It would be the duty of the Department to grant licenses equally and equitably between applicants.

Mr. SMITH. Perhaps the most we can say is that it is one of the misfortunes that occur when we find ourselves compelled to adopt some sort of control.

Mr. COOPER. I agree with the Senator. These controls have been requested by the President.

The PRESIDENT pro tempore. The amendment offered by the Senator from Kentucky will be stated.

The amendment was read, as follows:

SEC. 6. (a) The Secretary of Commerce, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this act, and to exercise over-all control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended, and the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended. The Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by this section.

(b) The Secretary shall make a quarterly report, within 30 days after such quarter, to the President and to the Congress of his operations under the authority conferred upon him by this section. Each such report shall contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such acts, allocations, and priorities under the Second War Powers Act, 1942, as amended, and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The Chair lays before the Senate House bill 3647. Without objection, the House bill will be substituted for Senate bill 1461.

There being no objection, the Senate proceeded to consider the bill (H. R. 3647), to extend certain powers of the President under title III of the Second War Powers Act.

Mr. WILEY. I move to amend by striking out all after the enacting clause and inserting the text of the Senate bill as amended.

The amendment was agreed to.

The PRESIDENT pro tempore. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 1461 is indefinitely postponed.

Mr. WILEY. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. WILEY, Mr. COOPER, and Mr. McCARRAN as conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, informed the Senate that the President of the United States having returned to the House of Representatives the enrolled bill (H. R. 493) to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.), in compliance with the request contained in Senate Concurrent Resolution No. 22; and returned the engrossed copy of said bill to the Senate.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) making appropriations for the Departments of State, Justice, and Commerce, and the judiciary, for the fiscal year ending June 30, 1948, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85 to the said bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 2, 5, 26, and 35 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

TRUSTEESHIP AGREEMENT COVERING JAPANESE MANDATED ISLANDS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 378)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States transmitting the trusteeship agreement covering the Japanese mandated islands, which are the Carolines, the Marianas, and the Marshalls. The trusteeship agreement has been unanimously approved by the Security Council of the United Nations. The message of the President will be printed in the RECORD. The message, attached papers, and the proposed agreement will be referred to the Committee on Foreign Relations.

(For President's message, see today's proceedings of the House of Representatives on p. 8347.)

JOINT COMMITTEE ON LABOR-MANAGEMENT RELATIONS

The PRESIDENT pro tempore. The Chair desires to announce that under the terms of the Taft-Hartley Act, a joint committee of 14 is set up, of which 7 members are to be named by the President pro tempore of the Senate.

After consultation with the leaders on both sides of the aisle, the Chair announced the appointment of the following committee: The Senator from Ohio [Mr. TAFT], the Senator from Minnesota [Mr. BALL], the Senator from New Jersey [Mr. SMITH], the Senator from New York [Mr. IVES], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], and the Senator from Louisiana [Mr. ELLENDER].

AUDIT REPORT OF DEFENSE HOMES CORPORATION

The PRESIDENT pro tempore laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Defense Homes Corporation, for the fiscal years ended June 30, 1945, and June 30, 1946, which, with the accompanying report, was referred to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Banking and Currency:

"House Concurrent Resolution 5

"Concurrent resolution memorializing Congress to provide immediate increased allotments of sugar for home consumption and for the removal of all controls on sugar as soon as possible

"Whereas the housewives of America have exercised, during the period of hostilities and for more than a year since the cessation of hostilities, the strictest economy in the consumption of sugar as a part of their contribution to the war effort; and

"Whereas the waste resulting from the lack of sufficient means of preserving foodstuffs through the scarcity of canning sugar can

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued July 8, 1947
For actions of July 7, 1947
80th-1st, No. 128

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HIGHLIGHTS: House Rules Committee cleared sugar bill. President approved bill to create Commission on Organization of Executive Branch; Senate appointments made to Commission. House passed bill to facilitate authorization for USDA flood-control surveys. Rep. Ellis criticized potato destruction and farm-machinery exports.

HOUSE

1. **SUGAR.** The Rules Committee reported a resolution for consideration of, and waiving points of order on, H. R. 4075, the sugar bill (p. 8561). The bill is to be debated Thurs.

This bill provides as follows: Reenacts the Sugar Act of 1937 with changes; extends the termination date from Dec. 31, 1947, to Dec. 31, 1952, and extends the sugar tax to July 1, 1953. Changes the method of estimating each year the quantity of sugar needed to meet consumer requirements in continental U. S. Establishes quotas for domestic areas in specific amounts and, after apportionment of a quota of 952,000 short tons to the Philippines, apportions the remainder of the consumption estimate to foreign countries. Guarantees Cuba a minimum quota, after reallocation of deficits, equivalent to the share provided for Cuba in the Act. Authorizes the Secretary to withhold or withdraw any quota increase for any foreign country over that provided for such country under the Act if such country denies fair and equitable treatment to U. S. nationals and business. Provides for allocation of any Philippine deficit to Cuba (95%) and full-duty countries. Provides that, if the Cuban quota after reallocation of deficits falls below 28.6%, except for the provisions mentioned above, the proportion to full-duty countries would be 1.36% instead of 5% and that the Cuban quota be increased accordingly. Requires establishment of quotas for the calendar year 1948 within the first 10 days of that year. Provides that the direct consumption portion of the quotas shall not be subject to suspension unless the President finds that emergency exists. Deletes certain conditions for sugar payments regarding fair wages, soil-conservation requirements, and fair prices.

Provides for a refund on inventories of manufactured sugar on hand at the time of tax termination. Also contains a number of technical and clarifying amendments to the Sugar Act.

2. WAR POWERS. Reps. Michener, Springer, and Cravens were appointed conferees on H. R. 3647, to continue certain export-control, allocation, and priorities powers (p. 8497). Senate conferees were appointed July 3. For House and Senate versions, see Digest 123.
3. TAXATION. The Rules Committee reported a resolution for consideration of H. R. 3950, the tax-reduction bill, which is the same as the vetoed bill except that the effective date is changed to Jan. 1, 1948 (p. 8497).
4. PROPERTY PROTECTION. Passed without amendment H. R. 3219, which authorizes FWA to appoint special policemen for duty on Federal property under FWA jurisdiction and, upon application of a department or agency, to protect buildings and other property under such department or agency (p. 8500).
5. FLOOD CONTROL. Passed without amendment H. R. 3146, to authorize this Department to make flood-control examinations and surveys of watersheds concerning which the War Department is authorized to make such surveys regarding waterways, and to authorize this Department to make supplemental flood control reports when requested by either Public Works Committee (p. 8500).
6. CIVIL-SERVICE RETIREMENT. Passed as reported H. R. 1995, to provide for the return of the amount of deductions from the pay of any employee who is separated from Government service or transferred to a position not within the purview of the Retirement Act before completing 10 years of service (pp. 8502-3).
7. ACCOUNTING. Passed without amendment S. 1316, which provides for establishment of a special deposit account or accounts with the U. S. Treasurer to facilitate payments of Government checks no longer immediately negotiable because of age, and amends Sec. 21 of the Permanent Appropriation Repeal Act of 1934 to provide for payment of these checks for 10 years after date of issue in lieu of settlement of GAO from outstanding liabilities (p. 8503). This bill will now be sent to the President.
8. ASSISTANT SECRETARY OF COMMERCE. Passed without amendment S. 1421, to provide for an additional Assistant Secretary of Commerce (p. 8505). This bill will now be sent to the President.
9. SYNTHETIC FUEL. After discussion, passed over H. R. 2161, which authorizes an increase of \$30,000,000 in appropriations and extends the time of operation for 3 years of demonstration plants to produce synthetic liquid fuels from agricultural and forestry products, etc. (pp. 8513-4).
10. FOREST. Passed as reported H. R. 3395, to add certain lands to the Modoc National Forest, Calif. (pp. 8516-7).
11. SUBMARGINAL LANDS. Passed as reported H. R. 3153, to provide for sale of certain submarginal lands in Indian reservations in Mont., N. Dak., and S. Dak., with provisions for certain SCS assistance (pp. 8517-8).
12. COMMUNICATIONS. Passed without amendment S. 816, which repeals the mandatory special rate for Government telegrams and authorizes FCC to prescribe charges, classifications, regulations, etc., for Government telegrams (p. 8519). This

tries to help them rebuild their lives and provide for the future of their children. We must not destroy their hope. The only civilized course is to enable these people to take new roots in friendly soil. Already certain countries of western Europe and Latin America have opened their doors to substantial numbers of these displaced persons. Plans for making homes for more of them in other countries are under consideration. But our plain duty requires that we join with other nations in solving this tragic problem.

We ourselves should admit a substantial number as immigrants. We have not yet been able to do this because our present statutory quotas applicable to the eastern European areas from which most of these people come are wholly inadequate for this purpose. Special legislation limited to this particular emergency will therefore be necessary if we are to share with other nations in this enterprise of offering an opportunity for a new life to these people.

I wish to emphasize that there is no proposal for a general revision of our immigration policy as now enunciated in our immigration statutes. There is no proposal to waive or lower our present prescribed standards for testing the fitness for admission of every immigrant, including these displaced persons. Those permitted to enter would still have to meet the admission requirements of our existing immigration laws. These laws provide adequate guaranties against the entry of those who are criminals or subversives, those likely to become public charges, and those who are otherwise undesirable.

These displaced persons are hardy and resourceful or they would not have survived. A survey of the occupational backgrounds of those in our assembly centers shows a wide variety of professions, crafts, and skills. These are people who oppose totalitarian rule, and who because of their burning faith in the principles of freedom and democracy have suffered untold privation and hardship. Because they are not Communists and are opposed to communism, they have staunchly resisted all efforts to induce them to return to Communist-controlled areas. In addition, they were our individual allies in the war.

In the light of the vast numbers of people of all countries that we have usefully assimilated into our national life, it is clear that we could readily absorb the relatively small number of these displaced persons who would be admitted. We should not forget that our Nation was founded by immigrants many of whom fled oppression and persecution. We have thrived on the energy and diversity of many peoples. It is a source of our strength that we number among our people all the major religions, races, and national origins.

Most of the individuals in the displaced-persons centers already have strong roots in this country—by kinship, religion, or national origin. Their occupational background clearly indicates that they can quickly become useful members of our American communities. Their kinsmen, already in the United States, have been vital factors in farm

and workshop for generations. They have made lasting contributions to our arts and sciences and political life. They have been numbered among our honored dead on every battlefield of war.

We are dealing with a human problem, a world tragedy. Let us remember that these are fellow human beings now living under conditions which frustrate hope; which make it impossible for them to take any steps, unaided, to build for themselves or their children the foundations of a new life. They live in corroding uncertainty of their future. Their fate is in our hands and must now be decided. Let us join in giving them a chance at decent and self-supporting lives.

I urge the Congress to press forward with its consideration of this subject and to pass suitable legislation as speedily as possible.

HARRY S. TRUMAN.

THE WHITE HOUSE, July 7, 1947.

REDUCING INDIVIDUAL INCOME TAX

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 272, Rept. No. 797), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill H. R. 3950, to reduce individual income-tax payments, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments shall be in order to the said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but such amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

REGULATING FOREIGN AND DOMESTIC COMMERCE

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 273, Rept. No. 798), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4075, to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes, and all points

of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SECOND WAR POWERS ACT

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 3647, an act to extend certain powers of the President under title III of the Second War Powers Act, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MICHENER, SPRINGER, and CRAVENS.

EXTENSION OF REMARKS

Mr. HILL asked and was given permission to extend his remarks in the Record and include an address by Mr. Dille, secretary of the Colorado-Big Thompson Conservancy District project, and another by Attorney Hatfield Chilson of the same organization.

SPECIAL ORDERS GRANTED

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered I may address the House for 10 minutes today.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered I may address the House on Wednesday next for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. JAVITS asked and was given permission to extend his remarks in the Record in two instances and to include two newspaper articles.

Mr. FARRINGTON asked and was granted permission to extend his remarks in the Record in two instances, in one to include an editorial from Atlanta and in the other an editorial from Boston.

Mr. BENNETT of Missouri asked and was granted permission to extend his remarks in the Record.

Mr. GILLIE asked and was granted permission to extend his remarks in the Record and include a resolution from the State Federation of Indianapolis.

Mr. ABERNETHY asked and was granted permission to extend his remarks in the RECORD and include an article by Marquis E. Childs on the 1948 Agriculture Department appropriation bill.

Mr. FORAND asked and was granted permission to extend his remarks in the RECORD in two instances, in one to include an editorial and in the other a resolution by the city of Providence.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject The American Forum of the Air, and to include certain extracts from newspapers. The Public Printer informs me the cost will be \$319.50. I ask unanimous consent that notwithstanding the additional cost the extension may be made.

The SPEAKER. Notwithstanding and without objection, the request of the gentleman is granted.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BUCHANAN asked and was granted permission to extend his remarks in the RECORD and include the President's statement when he signed the Treasury-Post Office Department appropriation bill.

Mr. MUNDT asked and was granted permission to extend his remarks in the RECORD in two different instances and to include therein editorials.

SPECIAL ORDER GRANTED

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that on Wednesday, after the legislative program and any other special orders heretofore entered, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

TO REVISE, CODIFY, AND ENACT INTO LAW TITLE 28 OF THE UNITED STATES CODE, JUDICIAL CODE AND JUDICIARY

The Clerk called the first bill on the calendar (H. R. 3214), to revise, codify, and enact into law title 28 of the United States Code entitled "Judicial Code and Judiciary."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. DINGELL. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK, Mr. RICH, Mr. CHURCH, and Mr. DINGELL objected, and the bill was stricken from the calendar.

UNIFORMITY OF GEOGRAPHIC NOMENCLATURE

The Clerk called the bill (H. R. 1555) to promote uniformity of geographic nomenclature in the Federal Government, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

PRICE OF COPIES OF RECORDS FURNISHED BY THE DEPARTMENT OF THE INTERIOR

The Clerk called the bill (H. R. 2938) to amend section 1 of the act of August 24, 1912 (37 Stat. 497, 5 U. S. C., sec. 488), fixing the price of copies of records furnished by the Department of the Interior.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BUCK. Mr. Speaker, reserving the right to object, I would like to inquire whether the Barrett amendment is now in the bill.

Mr. BARRETT. No, it is not.

Mr. BUCK. I withdraw my reservation of objection, Mr. Speaker.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the author of this bill if the Department of the Interior is going to make a charge for a gift of circulars and so forth that they are making in the various parks commensurate with the cost.

Mr. BARRETT. I may say to the gentleman that this bill has nothing to do with the national parks. This bill provides that the Department of the Interior may furnish authenticated copies and other instruments to people at their actual cost, rather than at the rate which is presently in effect and which is usually below cost.

Mr. RICH. That is my inquiry, because they have been giving out many of these circulars in certain of these parks and monuments very lavishly. They are not at all conservative in passing them out. They care nothing for expenses. Go down here to the Jefferson Memorial if you will and if a dozen people of one family go in there they hand the same circular out to each one, whereas a third of the number would do the work, and give all the information. They are extravagant in giving out these circulars not only at the Jefferson Memorial but in many of the parks under the Department of the Interior. I hope they will in the future be more conservative in passing them out. We need more economy in every department of Government.

Mr. BARRETT. I agree with the gentleman. The purpose of this legislation is to require the Department of the Interior to charge actual cost for copies of instruments and documents that may be requested by the general public.

Mr. RICH. I think it is a good move; one that has long been delayed.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That section 1 of the act of August 24, 1912 (37 Stat. 497, 5 U. S. C., sec. 488), is amended to read as follows: That the Secretary of the Interior, the head of any bureau, office, or institution, or any officer of that Department, may, when not prejudicial to the interests of the Govern-

ment, furnish authenticated or unauthenticated copies of any official books, records, papers, documents, maps, plats, or diagrams within his custody, and charge therefor a sum equal to the cost of production thereof, as determined by the Secretary of the Interior or such subordinate official or employee as he may designate, and in addition the sum of 25 cents for each certificate or verification and the seal attached to authenticated copies: *Provided*, That there shall be no charge for the making or verification of copies required for official use by the officers of any branch of the Government: *Provided further*, That only a charge of 25 cents shall be made for furnishing authenticated copies of any rules, regulations, or instructions printed by the Government for gratuitous distribution.

SEC. 2. Section 1 of the act of June 5, 1920 (41 Stat. 908, 43 U. S. C., sec. 22), is amended by striking out the words, "*Provided*, That hereafter photolithographic copies of township plats shall be sold to the public at 50 cents each."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PENALTY FOR ENTERING CLOSED FOREST LAND

The Clerk called the bill (H. R. 1826) making it a petty offense to enter any national-forest land while it is closed to the public.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

OFFICE OF DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

The Clerk called the bill (H. R. 1436) to repeal the prohibition against the filling of a vacancy in the office of district judge in the southern district of New York.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

INCREASING MINIMUM ALLOWANCE PAYABLE FOR REHABILITATION IN SERVICE-CONNECTED CASES

The Clerk called the bill (H. R. 3308) to increase the minimum allowance payable for rehabilitation in service-connected cases.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDING THE CANAL ZONE RETIREMENT ACT

The Clerk called the bill (H. R. 126) to amend section 107 of title 2 of the Canal Zone Code, approved June 19, 1934.

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

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HIGHLIGHTS: House debated sugar bill. House received conference report on bill to continue certain export-control, allocations, and priorities powers. Sen. Capper introduced bill to provide for liquidation of State rural-rehabilitation corporations. Rep. Andrews introduced bill to pay CCC for material transferred to stockpile. House committee reported Science Foundation bill and Tongass Forest timber-sales bill. Reps. Cooley and Hill introduced bills to coordinate soil- and water-conservation programs. Senate committee reported bill authorizing Mexican fence. Sen. Thomas (Okla.) inserted Alaska Indians' statement against Tongass Forest bill. Sen. Morse inserted Budget Bureau study on "estimated capital expenditures."

HOUSE

- 1. SUGAR.** Continued debate on H. R. 4075, the sugar bill (pp. 8809-26). Rep. Flanagan, Va., strongly criticized the bill, and Rep. Marcantonio, N. Y., criticized the labor-standards provisions.
Rep. Eberharter, Pa., charged that the Department's employees "are actually on a sit-down strike" in rationing sugar to industrial users (pp. 8791-2).
- 2. WAR POWERS.** Received the conference report on H. R. 3647, the "Second Decontrol Act of 1947" (pp. 8807-9). The conferees agreed to a new version of the bill, which is printed in the Record. The revised bill continues certain export-control, allocations, and priorities powers through Feb. 29, 1948; continues allocations on rice (for import control only), quinine and related products (in certain cases), transportation facilities; and empowers the Secretary of Commerce to establish policies and programs and to exercise over-all control under the bill. The bill would be effective July 16, 1947.
- 3. FARM PROGRAM.** Rep. Dolliver, Iowa, spoke in favor of price supports, soil conservation, and provision for attractive farm life as parts of a long-range farm program (p. 8790).
- 4. PUBLIC WORKS.** The Rules Committee reported without amendment H. Res. 211, directing the Public Works Committee to study works of improvement under its jurisdiction with a view to determining if legislation regarding such projects should be enacted (p. 8807).
- 5. PRESIDENTIAL SUCCESSION.** Passed, 365-11, without amendment S. 564, the

Presidential succession bill, which includes the Secretary of Agriculture in the line of succession (pp. 8792-807). This bill will now be sent to the President.

6. NATIONAL SCIENCE FOUNDATION. The Interstate and Foreign Commerce Committee reported with amendment H.R. 4102, to create a National Science Foundation (H. Rept. 864) (p. 8827).
7. NATIONAL FOREST. The Agriculture Committee reported with amendments H.J.Res. 205, to provide for the sale of timber in the Tongass National Forest (H.Rept. 873) (p. 8827).
8. RECLAMATION. The Public Lands Committee reported without amendment H.R. 3218, to provide an emergency fund for the Bureau of Reclamation operations (H.Rept. 860) (p. 8827).
The Public Lands Committee reported without amendment S. 753, to authorize Interior Department to defer collection of certain irrigation construction charges against lands under the Flathead Indian irrigation project (H.Rept. 868) (p. 8827).
9. LANDS. The Public Lands Committee reported without amendment H.R. 3971, to increase the size of isolated or disconnected tracts or parcels of the public domain which may be sold (H.Rept. 855) (p. 8827).
The Public Lands Committee reported with amendments S. 1185, to provide for the disposal of certain materials on the U.S. public lands (H.Rept. 867) (p. 8827).
The Public Lands Committee reported with amendment H.R. 1710, to authorize a survey of a proposed Mississippi River Parkway for the purpose of determining the feasibility of a national parkway (H.Rept. 865) (p. 8827).
10. PURCHASING. Received the GAO report of activities under the Contract Settlement Act; to Judiciary Committee (p. 8826).
11. FOOD AND DRUGS. H.R. 4071 as reported (see Digest 129) would amend the Federal Food, Drug, and Cosmetic Act so as to authorize enforcement of the act in cases of adulteration or misbranding of goods held for resale, and seizure of such goods not only while in interstate commerce but while being held for sale.

SENATE

12. LEGISLATIVE APPROPRIATION BILL, 1948. Passed with amendments this bill, H.R. 3993 (pp. 8774-5). Sens. Young, Bridges, Saltonstall, Dworshak, Overton, Tydings, and Green were appointed conferees (p. 8775). As passed by the Senate the bill includes the following changes for the Library of Congress: Increases of \$205,798 for the Library proper; \$135,000 for the Copyright Office; \$100,000 for the Legislative Reference Service; and \$35,000 for preparation of a revised edition of the Annotated Constitution of the U.S. An \$85,000 item to provide for a motion-picture program in the Library of Congress was stricken from the bill.
13. WAR DEPARTMENT MILITARY APPROPRIATION BILL, 1948. Began debate on this bill, H.R. 3678 (pp. 8775-87). No agreement was reached on amendments to exclude certain War Department civilian employees from the personnel-ceiling provisions.
14. MEXICAN-BORDER FENCE. The Foreign Relations Committee reported with amendments S.J.Res. 46, to authorize appropriations for the construction, operation, and

NOT VOTING—54

Barrett	Engel, Mich.	Monroney
Bennett, Mich.	Fernandez	Morris
Bland	Fuller	Morrison
Blatnik	Gifford	Norblad
Bloom	Gorski	Peden
Bolton	Hartley	Pfeifer
Boykin	Jenkins, Pa.	Powell
Buckley	Johnson, Okla.	Rich
Carroll	Jones, N. C.	Rogers, Fla.
Clark	Karsten, Mo.	Sikes
Clements	Kee	Simpson, Ill.
Cole, Mo.	Kelley	Smith, Ohio
Cole, N. Y.	Kennedy	Smith, Va.
Coudert	Keogh	Stigler
Courtney	Keuten, Wis.	Vail
Davis, Tenn.	McMillan, S. C.	Vinson
Dorn	Macy	Wood
Ellsworth	Mansfield, Tex.	Youngblood

So the bill was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Macy with Mr. Carroll.
 Mr. Rich with Mr. Blatnik.
 Mrs. Bolton with Mr. Kennedy.
 Mr. Cole of New York with Mr. Dorn.
 Mr. Simpson of Illinois with Mr. McMillan of South Carolina.
 Mr. Vail with Mr. Keogh.
 Mr. Cole of Missouri with Mr. Morris.
 Mr. Bennett of Michigan with Mr. Kelley.
 Mr. Youngblood with Mr. Gorski.
 Mr. Gifford with Mr. Pfeifer.
 Mr. Barrett with Mr. Clements.
 Mr. Hartley with Mr. Davis of Tennessee.
 Mr. Coudert with Mr. Fernandez.
 Mr. Ellsworth with Mr. Vinson.
 Mr. Fuller with Mr. Wood.
 Mr. Jenkins of Pennsylvania with Mr. Sikes.
 Mr. Smith of Ohio with Mr. Monroney.
 Mr. Engel of Michigan with Mr. Johnson of Oklahoma.
 Mr. Norblad with Mr. Buckley.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. GARY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD preceding the previous question on the last bill.

The SPEAKER pro tempore (Mr. HALLECK). Is there objection to the request of the gentleman from Virginia?

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ROBSION. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. ROBSION asked and was granted permission to extend his own remarks and include therewith certain excerpts.

SURVEYS IN CONNECTION WITH CERTAIN PUBLIC WORKS

Mr. HARNESS of Indiana, from the Committee on Rules, submitted the following privileged resolution (H. Res. 211) for printing in the RECORD:

Resolved, That the Committee on Public Works of the House of Representatives is authorized and directed to conduct investigations and surveys of certain works of improvement under its jurisdiction, and located in the United States, with a view to

determining if legislation relating to such projects should be enacted.

The committee shall report to the House as soon as practicable during the present Congress the results of its investigations, together with such recommendations as are deemed desirable.

For the purposes of this resolution the committee or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member designated by him and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

REMOVAL OF RESTRICTIONS ON PROPERTY OF INDIANS WHO SERVED IN THE ARMED FORCES

Mr. HARNESS of Indiana, from the Committee on Rules, submitted the following resolution (H. Res. 280) for printing in the RECORD:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 1113) to provide for removal of restrictions on property of Indians who serve in the armed forces, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Public Lands printed in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SECOND WAR POWERS ACT

Mr. SPRINGER submitted the following conference report and statement on the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Sen-

ate amendment insert the following: "That this Act shall be cited as the 'Second De-control Act of 1947.'"

"FINDINGS OF FACT AND DECLARATION OF POLICY

"SEC. 2. (a) Certain materials and facilities continue in short supply at home and abroad as a result of the war. The continued exercise of certain limited emergency powers is required to complete the orderly reconversion of the domestic economy from a wartime to a peacetime basis, to protect the health, safety, and welfare of the American people, and to support the foreign policy of the United States.

"(b) The Congress hereby declares that it is the general policy of the United States to eliminate emergency wartime controls of materials except to the minimum extent necessary (1) to protect the domestic economy from the injury which would result from adverse distribution of materials which continue in short world supply; (2) to promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States; (3) to make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate; and (4) to aid in carrying out the foreign policy of the United States.

"TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

"SEC. 3. To effectuate the policies set forth in section 2 hereof, title XV, section 1501, of the Second War Powers Act, 1942, approved March 27, 1942, as amended, is amended to read as follows:

"SEC. 1051. (a) Except as otherwise provided by statute enacted during the Eightieth Congress (including the First De-control Act of 1947 and Public Law Numbered 145, approved June 30, 1947) and except as otherwise provided by subsection (b) of this section, titles I, II, III, IV, V, VII, and XIV of this Act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947. After the amendments made by any such title cease to be in force, any provisions of law amended thereby (except subsection (a) of section 2 of the Act entitled "An Act to expedite national defense, and for other purposes", approved June 28, 1940, as amended) shall be in full force and effect as though this Act had not been enacted.

"(b) Title III of this Act and the amendments to existing law made by such title shall remain in force until February 29, 1948, for the exercise of the powers, authority, and discretion thereby conferred on the President, but limited to—

"(1) the materials (and facilities suitable for the manufacture of such materials), as follows:

"(A) Tin and tin products, except for the purpose of exercising import control of tin ores and tin concentrates;

"(B) Antimony;

"(C) Cinchona bark, quinine, and quinidine, when held by any Government agency or after acquisition (whether prior to, on, or after July 16, 1947) from any Government agency, either directly or through intermediate distributors, processors, or other channels of distribution, or when made from any of such materials so acquired;

"(D) Materials for export required to expand or maintain the production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for manufacture and delivery of the materials required for such export;

"(E) Fats and oils (including oil-bearing materials, fatty acids, butter, soap, and soap powder, but excluding petroleum and

petroleum products) and rice and rice products, for the purpose of exercising import control only; and nitrogenous fertilizer materials for the purposes of exercising import control and of establishing priority in production and delivery for export;

"(F) Materials (except foods and food products, manila (abaca) fiber and cordage, agave fiber and cordage, and fertilizer materials), including petroleum and petroleum products, required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to the successful carrying out of the foreign policy of the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for the manufacture and delivery of the materials required for such export: *Provided*, That no such priority based on a certification by the Secretary of State shall be effective unless and until the Secretary of Commerce shall have satisfied himself that the proposed action will not have an unduly adverse effect on the domestic economy of the United States; and

"(2) The use of transportation equipment and facilities by rail carriers.

"(c) Notwithstanding the extension through February 29, 1948, made by subsection (b), the Congress by concurrent resolution or the President may designate an earlier time for the termination of any power, authority, or discretion under such title III. Nothing in subsection (b) shall be construed to continue beyond July 15, 1947, any authority under paragraph (1) of subsection (a) of section 2 of the Act entitled "An Act to expedite national defense and for other purposes", approved June 28, 1940, as amended, to negotiate contracts with or without advertising or competitive bidding; and nothing contained in this section, as amended, shall affect the authority conferred by Public Law 24, Eightieth Congress, approved March 29, 1947, or the Sugar Control Extension Act of 1947."

"TEMPORARY EXTENSION OF CERTAIN EXPORT CONTROLS

"Sec. 4. To effectuate the policy set forth in section 2 hereof, section 6 (d) of the Act of July 2, 1940 (54 Stat. 714), as amended, is amended to read as follows:

"(d) The authority granted by this section shall terminate on February 29, 1948, or any prior date which the Congress by concurrent resolution or the President may designate."

"EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

"Sec. 5. The functions exercised under title III of the Second War Powers Act, 1942, as amended (including the amendments to existing law made by such title), and the functions exercised under section 6 of such Act of July 2, 1940, as amended, shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of sections 3 and 10 thereof.

"ADMINISTRATION BY SECRETARY OF COMMERCE

"Sec. 6. (a) The Secretary of Commerce, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this Act, and to exercise over-all control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended. The Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by this section.

"(b) The Secretary shall make a quarterly report, within thirty days after each quarter, to the President and to the Congress of his operations under the authority conferred on him by this section. Each such report shall contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such Acts, allocations and priorities under the Second War Powers Act, 1942, as amended, and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended.

"PERSONNEL

"Sec. 7. Notwithstanding any other law to the contrary, personnel engaged in the performance of duties related to functions, powers, and duties delegated by the President under the Second War Powers Act of 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended, and whose employment was terminated, or who were furloughed, in June or July 1947, may be reemployed to perform duties in connection with the functions, powers, and duties extended by this Act.

"APPROPRIATIONS

"Sec. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

"EFFECTIVE DATE

"Sec. 9. This Act shall take effect on July 16, 1947."

And the Senate agree to the same.

Amend the title so as to read: "An Act to extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes."

EARL C. MICHENER,
RAYMOND S. SPRINGER,
FADJO CRAVENS,

Managers on the Part of the House.

ALEXANDER WILEY,
JOHN SHERMAN COOPER,
PAT MCCARRAN,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment, to the text of the bill strikes all of the House bill after the enacting clause. The committee of conference recommend that the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

The first section of the bill as agreed to in conference is the same as the first section of the Senate amendment. It provides that the act shall be cited as the "Second Decontrol Act of 1947."

Section 2 of the bill as agreed to in conference is the same as section 1 of the House bill except that there is added in subsection (b) an additional statement of policy con-

tained in section 2 of the Senate amendment declaring that it is the general policy of the United States to eliminate emergency wartime controls of materials except to the minimum extent necessary to make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate.

Section 3 of the bill as agreed to in conference proposes to amend title XV, section 1501, of the Second War Powers Act, 1942, in the same manner as proposed by the House bill, except for typographical and clarifying changes, and the following:

(1) The House bill proposed to extend certain powers under title III of the Second War Powers Act through January 31, 1948. The Senate amendment proposed to extend certain powers under title III of the Second War Powers Act through June 30, 1948. The bill as agreed to in conference proposes to extend certain of those powers through February 29, 1948.

(2) The House bill contained a proviso providing that controls shall not apply to cinchona bark, quinine, and quinidine now held or hereafter acquired by other than Government agencies. Under the bill as agreed to in conference title III of the Second War Powers Act will remain in force through February 29, 1948, with respect to cinchona bark, quinine, and quinidine when held by any Government agency or after acquisition (whether prior to, on, or after July 16, 1947) from any Government agency, either directly or through intermediate distributors, processors, or other channels of distribution, or when made from any of such materials so acquired.

(3) Under the bill as agreed to in conference title III of the Second War Powers Act would remain in force for the exercise of powers, authority, and discretion with respect to rice and rice products for the purpose of exercising import control only. This provision is the same as that contained in the Senate amendment. The House bill contained no such provision.

(4) The Senate amendment provided that title III of the Second War Powers Act shall remain in force through January 31, 1948, with respect to the use of transportation equipment and facilities by rail carriers. The House bill did not contain such provision. The bill as agreed to in conference provides that such title shall remain in force through February 29, 1948, with respect to the use of transportation equipment and facilities by rail carriers.

(5) The House bill provided that title III of the Second War Powers Act shall remain in force for the purpose of establishing priority in production and delivery for export of materials (except food and food products, rice and rice products, manila (abaca) fiber and cordage, agave fiber and cordage, and nitrogenous fertilizer materials), including petroleum and petroleum products, required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to the successful carrying out of the foreign policy of the United States. The bill as agreed to in conference contains provisions having the same legal effect as the House bill, except that the Secretary of State will not have authority to make certifications with respect to any fertilizer materials whether or not nitrogenous. Although the words "rice and rice products" have been omitted from the excepting clause, the Secretary of State under the bill as agreed to in conference will not have authority to make certifications with respect to such materials under subparagraph (F) since they are still excepted as "food and food products."

Under the bill as agreed to in conference the controls under title III of the Second War Powers Act in effect after March 31, 1947, through July 15, 1947, are those provided by the First Decontrol Act of 1947. After July

15, 1947, the controls in effect will be those provided by the bill as agreed to in conference.

Section 4 of the Senate amendment proposed to amend the so-called "Export Control Act," section 6 of the act of July 2, 1940, so as to terminate on June 30, 1948, the authority to prohibit or curtail the exportation of any articles, technical data, materials, or supplies. The House bill did not contain such a provision. The bill agreed to in conference is the same as the Senate amendment except that the authority will terminate on February 29, 1948.

Section 5 of the bill as agreed to in conference provides that the functions exercised under title III of the Second War Powers Act, and the functions under the Export Control Act, shall be excluded from the operation of the Administrative Procedure Act, except as to the requirements of sections 3 (relating to public information) and 10 (relating to judicial review). This provision is the same (except for a clarifying change) as the Senate amendment. The House bill, in the amendment to section 1501 of the Second War Powers Act, contained a similar provision in relation to title III of the Second War Powers Act except that the House provision did not refer to section 10 of the Administrative Procedure Act.

Sections 6 to 9, inclusive, of the bill as agreed to in conference are the same (except for clarifying changes) as sections 6 to 9 of the Senate amendment. The House bill had no comparable provisions.

Section 6 of the bill as agreed to in conference empowers the Secretary of Commerce, subject to the direction of the President, to establish policies and programs and to exercise over-all control with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, as amended, and under the Export Control Act, as amended, and the Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by the new section 6. This section also requires the Secretary to make a quarterly report to the President and to Congress of his operations under the authority conferred upon him by this section. Each such report is required to contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act and the Export Control Act should or should not be continued, together with the current facts and reasons therefor. Each such report is also required to contain detailed information with respect to licensing procedures under such acts, allocations and priorities under the Second War Powers Act and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under the Export Control Act.

Section 7 permits the reemployment of personnel engaged during June or July 1947 in the performance of duties related to the functions and powers extended by the bill, in order to maintain continuity in employment of approximately 225 experienced personnel, without which the administration of these functions would be jeopardized. Such authority to reemploy personnel is necessary because under existing law personnel having a war service or temporary status may not be readily reemployed after their services have been terminated because of the requirement of existing law that personnel with a permanent status must be given priority.

Section 8 authorizes an appropriation, out of any money in the Treasury not otherwise appropriated, of such sums as may be necessary to carry out the purposes of the act.

Section 9 provides that the act shall take effect on July 16, 1947.

The bill as agreed to in conference adopts the Senate amendment to the title of the bill.

EARL C. MICHENER,
RAYMOND S. SPRINGER,
FADJO CRAVENS,

Managers on the Part of the House.

EXTENSION OF REMARKS

Mr. MICHENER asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include therein letters from the Attorney General.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Great Falls Tribune entitled "Fifty States—Why Not?"

Mr. DEANE asked and was given permission to extend his remarks in the RECORD and include an address by Admiral Nimitz.

Mr. SABATH asked and was given permission to extend his remarks on two different subjects and include therein certain articles.

Mr. MORGAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Times-Herald.

Mr. HAGEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Washington Star.

Mr. LEONARD W. HALL asked and was given permission to extend his remarks in the Appendix of the RECORD and include a program of the observance of Independence Day at Freeport, Long Island.

Mr. JAVITS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

SUGAR ACT OF 1948

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4075, the Sugar Act of 1948, with Mr. CUNNINGHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, July 9, the gentleman from Kansas [Mr. HOPE] had 33 minutes remaining, and the gentleman from Virginia [Mr. FLANNAGAN], 50. The gentleman from Virginia is recognized.

Mr. FLANNAGAN. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. The gentleman from Virginia is recognized.

Mr. FLANNAGAN. Mr. Chairman, it seems that I am to be the only speaker in opposition to this piece of legislation. Yes, it looks like I am destined to play the part of the lone wolf. I feel, I imagine, somewhat like the last rose of summer left standing alone; all my courageous companions have faded and gone.

I make this fight under no delusion. I know that it is a must piece of legislation, that the green light has been given, and that the orders of the day are full steam and straight ahead. Being the only one on the track ahead I know I am going to be run over roughshod. But after I get up and bind up my wounds, I assure you, there will be no hard feelings. I can still take defeat with a smile.

Probably there are those who will question my wisdom in making this fight. I only hope they will be charitable enough not to question my sincerity. I have my reasons for making this fight and to me they are all-sufficient, all-compelling, I may say. In the first place, although unpleasant, I believe it is my public duty; then, too, I have to live with myself. I find that if I do not keep my conscience reasonably clear, JOHN FLANNAGAN is a most disagreeable, a most unpleasant fellow, to travel around with.

Oh, I heard it whispered around yesterday when it became apparent that the only opposition to the bill would come from me that my temperamental Irish blood was the reason I was playing the role of the lone wolf; that the Irish for some unaccountable reason, have a weakness for rushing in where angels fear to tread. In answer, let me say the whole glorious history of the Irish people reveals that, under fire, they have never learned how to blow the bugle of retreat.

But, my colleagues, I believe a day of reckoning will surely come and that there will be those who, looking back on this day, will hang their heads in shame at following the leadership of Robert Shields, alias General Solicitor of the Department of Agriculture, alias head of the Commodity Credit Corporation, alias head of the Production and Marketing Administration, Department of Agriculture, and now the bell-weather of this saccharine blitz to legislatively fleece the American consumers of untold millions of dollars in order to further enrich the coffers of the Sugar Trust.

My colleagues, before I discuss this legislation I want to remind you of a little bit of the past history of sugar legislation. It is a most difficult and complex piece of legislation to deal with under any circumstances. I remember the original sugar fight in 1934 when the Sugar Act was first enacted. I remember that we labored months upon months trying to bring into agreement the divergent interests in the sugar industry from the producer all the way to the refiner and the off-shore people. I remember going through the same fight in 1937. Why, some of the sugar interests were going one way and some another. They were like ducks; some going east, some going west, and some going over the cuckoo's nest. You could not get them together. We labored day in and day out trying to bring in legis-

lation that would give fair and equitable treatment to every segment of the industry. And I think we succeeded. But a great change has taken place; a miracle, so to speak.

Last year I remember that while chairman of the House Committee on Agriculture I was waited upon by a delegation who represented themselves as being beet growers from the West. They presented me with a sugar bill just about this time of the year, just on the eve of adjournment, and told me that all segments of the industry, from the grower to the refiner, were in agreement. Well, I could hardly believe my ears, and I got to inquiring into the matter. I wanted to know who was in agreement, and they named practically every segment of the industry. I said, "Now, I have been through two sugar fights. I know what it means. It means months of hard labor." "Oh," they said, "we are all together." "Well," I said, "does the Department of Agriculture know about it?" I never had been advised that they were working on it. They said, "Yes, they do." I said, "Well, come around tomorrow morning and I will give you an answer as to what I will do."

I phoned the Department of Agriculture and they sent up one Earl Wilson, head of the Sugar Branch. I asked Mr. Wilson if he knew about the bill, and he said he did. And I asked him, "Is it all right?" "Well," he said, "with a few minor changes I think it is all right." But then he added, "Mr. FLANNAGAN, I do not know whether I am in position to advise with you. You know, I am going with one of the big sugar companies in a very short while." And I will tell you exactly what I said to him; I said, "Hell, no; you are not in a position to advise me; that no man can serve two masters."

Now, my friends, they are all in agreement, they say, today. What brought them into agreement? What brought these divergent interests, these conflicting interests, into agreement so they stand here today in a solid phalanx fighting for this bill?

Let us just look into it a little bit. Who is this man Earl Wilson? He was at one time head of the Sugar Branch of the Department of Agriculture, and before that he was connected with the Sugar Branch of the Commodity Credit Corporation. Who is he? What is his background? When he went into the Commodity Credit Corporation he was vice president of the National Sugar Refining Co., drawing a salary of \$25,000 per year. He was down there representing your Government and my Government, and taking your Government's money and my Government's money plus his \$25,000. That is a serious charge, and I defy any man on this floor to deny it.

Then what happened? Certain interests wanted him over in the Department of Agriculture to head up the Sugar Branch, and he was there when I called for information on the bill last year. Mr. Wilson had gotten over there. Mr. Ellsworth Bunker, president of the National Sugar Refining Co., camped on the doorstep of the Department of Agriculture for a considerable period of time before

he got him in as head of the Sugar Branch.

Now, when Secretary Anderson was considering Wilson's appointment, it leaked out that he was drawing his \$25,000 plus his Government salary. Secretary Anderson said, "Let us get this cleared up. Can a man do that?"

Can he? There is a provision in the Sugar Act prohibiting it, and section 66 of the United States Code reads:

No Government official or employee shall receive any salary in connection with his services as such an officer or employee from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality. No person, association, or corporation shall make any contribution * * * to supplement his salary—

And so forth. It looks as if the powers that be were determined to put Mr. Wilson in as head of the sugar branch in the Department of Agriculture. Naturally Secretary Anderson wanted the salary matter cleared and asked for an opinion from his legal counsel. This man Shields, who is spearheading this legislation, at that time was General Solicitor of the Department. My information is he referred the question to two of his assistants, and got an opinion from one of them winking at the law and giving him a green signal, but the other attorney wrote a rip-roaring opinion holding that Wilson could not draw his salary from the Government and the \$25,000 salary from the company. My information further is that Mr. Shields was so anxious for Wilson to draw both salaries that he took the matter to the Department of Justice with the hope that the Justice Department would decide with him. What did the Department of Justice say? They said, "Oh, no, a man cannot serve two masters. The statute reads him out." Then it was that Mr. Wilson graciously relinquished, so he said, his \$25,000 salary and took charge of the sugar branch of the Department of Agriculture at the paltry Government salary, I think of \$8,000 or \$9,000 per year.

Where is Mr. Wilson today? After serving in the Department until the latter part of 1946, Mr. Wilson stepped out of the Department of Agriculture as head of the Sugar Branch, and today I am told he is drawing \$50,000 per year as an official of the California-Hawaiian Sugar Refining Co.

Mr. Wilson has been in Washington also spearheading this legislation.

Let us go a little further. Some other things have been happening down there. Gentlemen, when you tackle the sugar trust you have taken on a man-sized job—do not forget that. During the war in order to speed up production, the Commodity Credit Corporation entered into a contract with sugar-beet processors covering the 1943 crop whereby the beet growers were given a support price. Later on these processors claimed that they had suffered a damage of \$15,000,000 and filed claim for that amount.

What happened to that claim? One Dennis O'Rooke in the Solicitor's office wrote an opinion upholding it. I will

take up Dennis O'Rooke a little later. There was a good deal of doubt about that claim and finally it was submitted to Jimmy Byrnes, Economic Stabilizer, and he turned it down. Then what happened? In the meantime things had been changing down there. This man Robert Shields was head of the Commodity Credit Corporation and a member of the Board. A man by the name of H. B. Boyd was director of prices in PMA and a member of the Commodity Credit Corporation Board. I think Mr. Shields at this time was head of Production and Marketing. But in any event, when that claim came up again for consideration by the Commodity Credit Corporation Board, I understand that the votes of Robert Shields and H. B. Boyd turned the tide, and an award was made and paid to the sugar trust of \$1,500,000.

Then, what happened to Mr. Shields? Remember they had gotten Earl Wilson in as head of the sugar branch. It looks like the sugar boys were setting pretty. Then, I ask, what happened to Mr. Shields, who had been General Solicitor, head of the Commodity Credit Corporation, and head of the Production and Marketing Administration? He was just about running the Department of Agriculture, and those familiar with the workings of the Department know that that is true.

Then, what happened? This man Shields who wrote this piece of legislation, and who is here spearheading it through—I do not know whether he is in the gallery today or not, but I saw him in the press gallery when this bill was called up on yesterday. I hope he is here today, because he is going to get his ears full before this thing is over. What happened to him? He resigned last year, severed his connection with the Department of Agriculture, although he held the highest position down there, and he went with the United States Beet Sugar Association at a reputed salary of \$40,000 per year. And he took along with him this man H. B. Boyd, who had been a member of the Board that passed upon the claim, and who was in charge of prices in the Department, he took him along with him to the sugar trust at a salary of \$18,000 a year. You ask about O'Rooke: Why he was also taken care of by one of the sugar companies.

Now, I hope you understand why I cannot support this legislation. I do not like the daddies of this legislation. I am here to tell you that, in my opinion, no member of the Agricultural Committee assisted in preparing this bill, and I am afraid very few, if any, of the Members of this body really are acquainted with the provisions of this legislation.

Oh, let us see what has been going on all of this time. These boys have not been asleep. Oh, no.

Oh, no. They had not been asleep. They had been rendering very good service, efficient service, from the standpoint of the Sugar Trust.

Mr. Chairman, very few realize what an increase of a cent or a half a cent a pound in the price of sugar means. When we deal in sugar we deal in tons—millions of tons—about 7,000,000 tons last

EXTENSION OF TITLE III OF SECOND WAR POWERS ACT AND THE EXPORT CONTROL ACT

JULY 10, 1947.—Ordered to be printed

MR. SPRINGER, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 3647]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That this Act shall be cited as the "Second Decontrol Act of 1947".*

FINDINGS OF FACT AND DECLARATION OF POLICY

SEC. 2. (a) *Certain materials and facilities continue in short supply at home and abroad as a result of the war. The continued exercise of certain limited emergency powers is required to complete the orderly reconversion of the domestic economy from a wartime to a peacetime basis, to protect the health, safety, and welfare of the American people, and to support the foreign policy of the United States.*

(b) *The Congress hereby declares that it is the general policy of the United States to eliminate emergency wartime controls of materials except to the minimum extent necessary (1) to protect the domestic economy from the injury which would result from adverse distribution of materials which continue in short world supply; (2) to promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States; (3) to*

make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate; and (4) to aid in carrying out the foreign policy of the United States.

TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

SEC. 3. To effectuate the policies set forth in section 2 hereof, title XV, section 1501, of the Second War Powers Act, 1942, approved March 27, 1942, as amended, is amended to read as follows:

"SEC. 1501: (a) Except as otherwise provided by statute enacted during the Eightieth Congress (including the First Decontrol Act of 1947 and Public Law Numbered 145, approved June 30, 1947) and except as otherwise provided by subsection (b) of this section, titles I, II, III, IV, V, VII, and XIV of this Act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947. After the amendments made by any such title cease to be in force, any provisions of law amended thereby (except subsection (a) of section 2 of the Act entitled 'An Act to expedite national defense, and for other purposes', approved June 28, 1940, as amended) shall be in full force and effect as though this Act had not been enacted.

"(b) Title III of this Act and the amendments to existing law made by such title shall remain in force until February 29, 1948, for the exercise of the powers, authority, and discretion thereby conferred on the President, but limited to—

"(1) the materials (and facilities suitable for the manufacture of such materials), as follows:

"(A) Tin and tin products, except for the purpose of exercising import control of tin ores and tin concentrates;

"(B) Antimony;

"(C) Cinchona bark, quinine, and quinidine, when held by any Government agency or after acquisition (whether prior to, on, or after July 16, 1947) from any Government agency, either directly or through intermediate distributors, processors, or other channels of distribution, or when made from any of such materials so acquired;

"(D) Materials for export required to expand or maintain the production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for manufacture and delivery of the materials required for such export;

"(E) Fats and oils (including oil-bearing materials, fatty acids, butter, soap, and soap powder, but excluding petroleum and petroleum products) and rice and rice products, for the purpose of exercising import control only; and nitrogenous fertilizer materials for the purposes of exercising import control and of establishing priority in production and delivery for export;

"(F) Materials (except foods and food products, manila (abaca) fiber and cordage, agave fiber and cordage, and fertilizer materials), including petroleum and petroleum products, required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high

public importance and essential to the successful carrying out of the foreign policy of the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for the manufacture and delivery of the materials required for such export: Provided, That no such priority based on a certification by the Secretary of State shall be effective unless and until the Secretary of Commerce shall have satisfied himself that the proposed action will not have an unduly adverse effect on the domestic economy of the United States; and

“(2) The use of transportation equipment and facilities by rail carriers.

“(c) Notwithstanding the extension through February 29, 1948, made by subsection (b), the Congress by concurrent resolution or the President may designate an earlier time for the termination of any power, authority, or discretion under such title III. Nothing in subsection (b) shall be construed to continue beyond July 15, 1947 any authority under paragraph (1) of subsection (a) of section 2 of the Act entitled ‘An Act to expedite national defense and for other purposes’, approved June 28, 1940, as amended, to negotiate contracts with or without advertising or competitive bidding; and nothing contained in this section, as amended, shall affect the authority conferred by Public Law 24, Eightieth Congress, approved March 29, 1947, or the Sugar Control Extension Act of 1947.”

TEMPORARY EXTENSION OF CERTAIN EXPORT CONTROLS

SEC. 4. To effectuate the policy set forth in section 2 hereof, section 6 (d) of the Act of July 2, 1940 (54 Stat. 714); as amended, is amended to read as follows:

“(d) The authority granted by this section shall terminate on February 29, 1948, or any prior date which the Congress by concurrent resolution or the President may designate.”

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 5. The functions exercised under title III of the Second War Powers Act, 1942, as amended (including the amendments to existing law made by such title), and the functions exercised under section 6 of such Act of July 2, 1940, as amended, shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of sections 3 and 10 thereof.

ADMINISTRATION BY SECRETARY OF COMMERCE

SEC. 6. (a) The Secretary of Commerce, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this Act, and to exercise overall control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled “An Act to expedite the strengthening of the national defense”, approved July 2, 1940, as amended. The Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to

enable him to perform the functions, powers, and duties imposed upon him by this section.

(b) The Secretary shall make a quarterly report, within thirty days after each quarter, to the President and to the Congress of his operations under the authority conferred on him by this section. Each such report shall contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such Acts, allocations and priorities under the Second War Powers Act, 1942, as amended, and the allocation or non-allocation to countries of materials and commodities (together with the reasons therefor) under section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended.

PERSONNEL

SEC. 7. Notwithstanding any other law to the contrary, personnel engaged in the performance of duties related to functions, powers, and duties delegated by the President under the Second War Powers Act of 1942, as amended, and section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended, and whose employment was terminated, or who were furloughed, in June or July 1947, may be reemployed to perform duties in connection with the functions, powers, and duties extended by this Act.

APPROPRIATIONS

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

EFFECTIVE DATE

SEC. 9. This Act shall take effect on July 16, 1947.

And the Senate agree to the same.

Amend the title so as to read: "An Act to extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes."

EARL C. MICHENER,
RAYMOND S. SPRINGER,
FADJO CRAVENS,

Managers on the Part of the House.

ALEXANDER WILEY,
JOHN SHERMAN COOPER,
PAT McCARRAN,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the text of the bill strikes all of the House bill after the enacting clause. The committee of conference recommend that the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

The first section of the bill as agreed to in conference is the same as the first section of the Senate amendment. It provides that the act shall be cited as the "Second Decontrol Act of 1947."

Section 2 of the bill as agreed to in conference is the same as section 1 of the House bill except that there is added in subsection (b) an additional statement of policy contained in section 2 of the Senate amendment declaring that it is the general policy of the United States to eliminate emergency wartime controls of materials except to the minimum extent necessary to make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate.

Section 3 of the bill as agreed to in conference proposes to amend title XV, section 1501, of the Second War Powers Act, 1942, in the same manner as proposed by the House bill, except for typographical and clarifying changes, and the following:

(1) The House bill proposed to extend certain powers under title III of the Second War Powers Act through January 31, 1948. The Senate amendment proposed to extend certain powers under title III of the Second War Powers Act through June 30, 1948. The bill as agreed to in conference proposes to extend certain of those powers through February 29, 1948.

(2) The House bill contained a proviso providing that controls shall not apply to cinchona bark, quinine, and quinidine now held or hereafter acquired by other than Government agencies. Under the bill as agreed to in conference title III of the Second War Powers Act will remain in force through February 29, 1948, with respect to cinchona bark, quinine, and quinidine when held by any Government agency or after acquisition (whether prior to, on, or after July 16, 1947) from any Government agency, either directly or through intermediate distributors, processors, or other channels of distribution, or when made from any of such materials so acquired.

(3) Under the bill as agreed to in conference title III of the Second War Powers Act would remain in force for the exercise of powers, authority, and discretion with respect to rice and rice products for

the purpose of exercising import control only. This provision is the same as that contained in the Senate amendment. The House bill contained no such provision.

(4) The Senate amendment provided that title III of the Second War Powers Act shall remain in force through January 31, 1948, with respect to the use of transportation equipment and facilities by rail carriers. The House bill did not contain such provision. The bill as agreed to in conference provides that such title shall remain in force through February 29, 1948, with respect to the use of transportation equipment and facilities by rail carriers.

(5) The House bill provided that title III of the Second War Powers Act shall remain in force for the purpose of establishing priority in production and delivery for export of materials (except food and food products, rice and rice products, manila (abaca) fiber and cordage, agave fiber and cordage, and nitrogenous fertilizer materials), including petroleum and petroleum products, required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to the successful carrying out of the foreign policy of the United States. The bill as agreed to in conference contains provisions having the same legal effect as the House bill, except that the Secretary of State will not have authority to make certifications with respect to any fertilizer materials whether or not nitrogenous. Although the words "rice and rice products" have been omitted from the excepting clause, the Secretary of State under the bill as agreed to in conference will not have authority to make certifications with respect to such materials under subparagraph (F) since they are still excepted as "food and food products."

Under the bill as agreed to in conference the controls under title III of the Second War Powers Act in effect after March 31, 1947, through July 15, 1947, are those provided by the First Decontrol Act of 1947. After July 15, 1947, the controls in effect will be those provided by the bill as agreed to in conference.

Section 4 of the Senate amendment proposed to amend the so-called "Export Control Act," section 6 of the act of July 2, 1940, so as to terminate on June 30, 1948, the authority to prohibit or curtail the exportation of any articles, technical data, materials, or supplies. The House bill did not contain such a provision. The bill agreed to in conference is the same as the Senate amendment except that the authority will terminate on February 29, 1948.

Section 5 of the bill as agreed to in conference provides that the functions exercised under title III of the Second War Powers Act and the functions under the Export Control Act shall be excluded from the operation of the Administrative Procedure Act, except as to the requirements of sections 3 (relating to public information) and 10 (relating to judicial review). This provision is the same (except for a clarifying change) as the Senate amendment. The House bill, in the amendment to section 1501 of the Second War Powers Act, contained a similar provision in relation to title III of the Second War Powers Act except that the House provision did not refer to section 10 of the Administrative Procedure Act.

Sections 6 to 9, inclusive, of the bill as agreed to in conference are the same (except for clarifying changes) as sections 6 to 9 of the Senate amendment. The House bill had no comparable provisions.

Section 6 of the bill as agreed to in conference empowers the Secretary of Commerce, subject to the direction of the President, to establish policies and programs and to exercise over-all control with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, as amended, and under the Export Control Act, as amended, and the Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by the new section 6. This section also requires the Secretary to make a quarterly report to the President and to Congress of his operations under the authority conferred upon him by this section. Each such report is required to contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act and the Export Control Act should or should not be continued, together with the current facts and reasons therefor. Each such report is also required to contain detailed information with respect to licensing procedures under such acts, allocations and priorities under the Second War Powers Act and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under the Export Control Act.

Section 7 permits the reemployment of personnel engaged during June or July 1947 in the performance of duties related to the functions and powers extended by the bill, in order to maintain continuity in employment of approximately 225 experienced personnel, without which the administration of these functions would be jeopardized. Such authority to reemploy personnel is necessary because under existing law personnel having a war service or temporary status may not be readily reemployed after their services have been terminated because of the requirement of existing law that personnel with a permanent status must be given priority.

Section 8 authorizes an appropriation, out of any money in the Treasury not otherwise appropriated, of such sums as may be necessary to carry out the purposes of the act.

Section 9 provides that the act shall take effect on July 16, 1947.

The bill as agreed to in conference adopts the Senate amendment to the title of the bill.

EARL C. MICHENER,
RAYMOND S. SPRINGER,
FADJO CRAVENS,
Managers on the Part of the House.



DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued July 14, 1947
For actions of July 11 & 12, 1947
80th-1st, Nos. 132 & 133

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~~HIGHLIGHTS: Senate committee reported agricultural appropriation bill. Bill to continue export-control, allocations, and priorities powers ready for President. House passed bill to amend and extend Sugar Act. Rep. Cooley discussed bill to transfer SCS functions to States. House received appropriation estimate for Renount Service. Sen. Thye submitted resolution for farm-program study. House committee reported bill to extend SCS, ACP, FHA programs to Virgin Islands. Senate debated tax-reduction bill. House committee approved bills to provide for wool-price supports and to amend peanut-quota provisions.~~

~~SENATE - July 11~~

- ~~1. AGRICULTURAL APPROPRIATION BILL. The Appropriations Committee reported with amendments this bill, H. R. 3601 (S. Rept. 474)(p. 8830). For summary of Committee changes, see statement at end of this Digest.~~
- ~~2. INDEPENDENT OFFICES APPROPRIATION BILL. The Appropriations Committee reported with amendments this bill, H. R. 3839 (S. Rept. 475)(p. 8830). The Committee added \$400,000 for the Office of Government Reports, \$25,000,000 for the War Assets Administration, \$50,000 for the Council of Economic Advisers, and \$75,000,000 for the Atomic Energy Commission. Regarding the Office of Government Reports, the Committee report states: "This amount will allow continuation of the agency on a restricted basis. The Committee is of the opinion that this agency has overexpanded... A limitation of \$7,500 per year has been placed on the salaries of personnel of the agency. The committee examined salaries presently in effect and it is the opinion, that for the type of work performed, the limitation is justified."~~
3. WAR POWERS. Both Houses agreed to the conference report on H. R. 3647, to continue export-control, allocations, and priorities powers on a restricted basis (pp. 8841-3, 8887-8). This bill will now be sent to the President.
4. PURCHASING. Received the GAO report under the Contract Settlement Act of 1944 (S. Doc. 75)(p. 8829).

5. STATISTICS. The Civil Service Committee reported with amendments S. 1497, to amend the act authorizing the Census Bureau to collect and publish statistics of cottonseed and its products (S. Rept. 481)(p. 8830).
6. PERSONNEL. The Civil Service Committee reported with amendments S. 416, to extend veterans preference to widowed mothers of certain ex-servicemen (S. Rept. 480)(p. 8830).
7. PATENTS. The Judiciary Committee reported without amendment H. R. 3958, to extend temporarily the time for filing applications for patents and for taking action in the Patent Office with respect thereto (S. Rept. 502)(p. 8830).
8. PUBLIC-WORKS LOANS. The Banking and Currency Committee reported without amendment S. 1487, to remove restrictions on loans by Federal agencies to finance construction of certain public works (S. Rept. 504)(p. 8830).
9. CONSUMER CREDIT. The Banking and Currency Committee reported an original measure, S. J. Res. 148, to authorize temporary continuation of regulation of consumer credit (S. Rept. 473)(p. 8830).
10. TAXATION. Debated H. R. 3950, the tax-reduction bill (pp. 8833-8, 8844-63).
11. FLOOD CONTROL. Sen. Wherry, Nebr., spoke in favor of additional flood-control activities, discussing flood damage to farm lands (pp. 8838-9).
12. DAIRY INDUSTRY. Sen. Langer, N. Dak., criticized activities of the National Dairy Products Corp. (pp. 8865-78).
13. PERSONNEL. A Civil Service Subcommittee approved without amendment S. 1188, establishing retention preference regulations to employees permanently injured in line of duty, in making reductions in Government forces (p. D520).

HOUSE - July 11

14. SUGAR. Passed with amendment H. R. 4075, to amend and extend the Sugar Act of 1937 (pp. 8888-902). Agreed to an amendment by Rep. Murray, Wis., to continue requirements for payment of fair wages on a modified basis (pp. 8888-92). Rejected amendments to continue the Act for 1 year only, to increase the domestic quota to 5,268,000 tons, to protect Puerto Rico refineries. Rejected, 47-101, a motion by Rep. Flannagan, Va., to recommit the bill with instructions that the Committee report it in a form continuing the Act for 1 year and providing for reallocation of any of the 1948 Philippine deficit in accordance with the provisions of H. R. 4075 (p. 8902).
15. APPROPRIATIONS. Rep. Gathings, Ark., spoke in favor of various increases in the agricultural appropriation bill, particularly for soil conservation (p. 8881).
16. NAVAL APPROPRIATION BILL. Received the conference report on this bill, H. R. 3493 (pp. 8881-4).
17. LEGISLATIVE APPROPRIATION BILL. Reps. Johnson of Ind., Tibbott, Canfield, Griffiths, Cannon, Kirwan, and Andrews of Ala. were appointed House conferees on this bill, H. R. 3993 (p. 8902). Senate conferees were appointed July 10.
18. COORDINATION. Rep. Cooley, N. C., spoke in support of H. R. 4150 (see Digest 131) and explained that it provides for soil-conservation research through the

the 1946 fiscal year were \$314,812,720.64, a staff of 111 field deputies handled 31,276 cases for the 1946 calendar year for a total of \$3,516,887 in otherwise uncollected taxes, or an average of 24 cases per deputy per month for a return of \$2,701 per man per month of a total average for the year of 288 cases per man and \$32,412. Twenty-seven of these 111 field deputies have been fired. The result will be a loss of \$875,124 in taxes in this part of Pennsylvania.

The total of tax losses throughout the State as a result of cutting the funds for collection purposes in Pennsylvania by \$1,500,000 or so will run about \$30,000,000, as I said earlier. This includes production from all the employees who have been dismissed—not only those out in the field who dig up the facts but those who process the cases in the offices.

Any business which practiced this sort of economy would soon economize itself into bankruptcy.

The insidious thing about this reduction in income-tax enforcement funds is that, as the Philadelphia Bulletin says, it invites the chiseler to take a chance. We all know that the Bureau cannot process every single return and only hits a certain percentage of them. Knowing that the odds against his return being studied carefully will go up tremendously as a result of this bill, the chiseler might well take a chance. This is bad from an enforcement standpoint; it is tragic, however, from a moral standpoint. The utter disregard of law we saw become so widespread during the prohibition era would, if revived in connection with this solemn and vitally urgent problem of income-tax collections, cause a complete break-down of American civic responsibility.

The wage earner, whose taxes are deducted from his pay each week, would see others flagrantly evading their tax responsibilities merely because the Government won't spend the money to enforce the tax laws.

Yes, Mr. President, we will, under this bill, really be making good the Republican campaign promises of tax reduction, effective immediately. What could not be done in a bill to reduce taxes would now be accomplished by default, by letting the taxpayer take a chance on evading his taxes. The element in our population least entitled to any consideration on income taxes, the chiselers and the wartime black marketeers, would indeed reap a harvest from the Republican performance on this campaign promise.

In addition to crippling Internal Revenue Bureau enforcement, the bill shoved through by the majority party makes a substantial cut—one of those Republican phony cuts—of \$800,000,000 in tax refunds. This is a big saving in the budget, no doubt. But we all heard the other day that in the fiscal year just ended the Treasury had to pay back more than twice as much as the Congress has provided for refunds this year. The figure was \$3,000,000,000 of refunds—the same as the figure for the previous year. The Treasury estimated it would need about \$2,108,000,000 this year for refunds, and the Congress has provided only \$1,200,000,000. This will run out probably about April 1. Unless the Congress then provides the money, all refunds—refunds required by law—will automatically stop and the claims against the Government will begin drawing 6 percent interest until the refund money is available for payment.

It is good business to avoid paying 6 percent interest, if you can, on an obligation you have to pay, anyway, and might as well pay quickly if you have the money to pay it. We save nothing by deferring these refunds at a cost of 6 percent interest. We lose money that way.

In the past year the Treasury saved something like \$3,300,000 in interest charges on tax refunds, as compared to the previous year, by acting promptly to pay the claims

for refunds before they rolled up interest.

Mr. President, I ask unanimous consent to insert here in the RECORD the tables I had prepared showing the tax returns from each of the three Pennsylvania collection districts, the personnel figures, and the production—total and average per man—of the field deputies.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—First collection district of Pennsylvania: Philadelphia

Returns filed all classes, 1946 (calendar year)..... 3,045,093
Total collections, 1946 (fiscal year)..... \$1,729,686,082.77

Personnel	Original	Adjusted	Decrease
Office.....	782	730	52
Field.....	435	293	142
Total.....	1,217	1,023	194

	Cases	Amount
Total field production, calendar year 1946.....	145,045	\$17,958,931
Average per deputy per month.....	28	3,474
Average per deputy per year (1946).....	336	41,688

Estimated loss in taxes this year as a result of dismissing 142 field deputies..... \$5,519,696

TABLE 2.—Twelfth collection district of Pennsylvania: Scranton

Returns filed, all classes, 1946 (calendar year)..... 875,267
Total collections, 1946 (fiscal year)..... \$314,812,720.64

Personnel	Original	Adjusted	Decrease
Office.....	229	210	19
Field.....	111	84	27
Total.....	340	294	46

	Cases	Amount
Total field production, calendar year 1946.....	31,276	\$3,516,887
Average per deputy per month.....	24	2,701
Average per deputy per year (1946).....	288	32,412

Estimated loss in taxes this year as a result of dismissing 27 field deputies..... \$875,124

TABLE 3.—Twenty-third collection district of Pennsylvania: Pittsburgh

Returns filed, all classes, 1946 (calendar year)..... 2,186,326
Total collections, 1946 (fiscal year)..... \$1,162,063,468.04

Personnel	Original	Adjusted	Decrease
Office.....	554	517	37
Field.....	304	208	96
Total.....	858	725	133

	Cases	Amount
Total field production, calendar year 1946.....	84,114	\$13,505,826
Average per deputy per month.....	26	4,225
Average per deputy per year (1946).....	312	50,700

Estimated loss in taxes this year as a result of dismissing 96 field deputies..... \$4,867,200

TABLE 4.—Totals for Pennsylvania

Total tax collections in the 1946 fiscal year.....	\$3,207,000,000
Amount of appropriation spent in Pennsylvania in 1947 fiscal year.....	13,706,000
Amount of \$20,000,000 Internal Revenue Bureau cut to be applied in Pennsylvania.....	1,514,000

Estimated loss in taxes as a result..... \$30,280,000

EXHIBIT A

[From the Philadelphia Bulletin of July 1, 1947]

GIFT TO TAX CHISELERS

Stories that have been cropping up regularly all over the country in recent months have shown the wisdom of the Government action in putting a corps of special income-tax investigators to work in 1942.

Treasury reports show that these investigators have brought the Government hundreds of millions of dollars that otherwise wouldn't have been collected.

Now 52 members of the local force are to be dropped, and the head of the unit estimates that with their departure hope of collecting \$4,000,000 of taxes will also disappear. This is of a piece with other congressional "economies" recently revealed.

Dropping one of these investigators cuts \$3,500 out of the salary budget. Dropping 52 men cuts out \$282,000 in salaries. Extend the cut to the whole country and the figure looks big enough to justify Congressmen in calling attention to their passion for saving the taxpayers' money.

As to the vastly larger amounts that will be lost on the income side—well, if they aren't collected nobody will know about them. All the public will see is the saving in salaries.

Looked at one way, the reduced corps of investigators does save money for taxpayers. The trouble is that it saves chiseled money for tax chiselers, and forces honest taxpayers to make up the difference.

EXTENSION OF TITLE III OF SECOND WAR POWERS ACT AND THE EXPORT CONTROL ACT—CONFERENCE REPORT

Mr. WILEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act shall be cited as the 'Second Decontrol Act of 1947.'"

"FINDINGS OF FACT AND DECLARATION OF POLICY

"SEC. 2. (a) Certain materials and facilities continue in short supply at home and abroad as a result of the war. The continued exercise of certain limited emergency powers is required to complete the orderly reconversion of the domestic economy from a wartime to a peacetime basis, to protect the health, safety, and welfare of the American people, and to support the foreign policy of the United States.

"(b) The Congress hereby declares that it is the general policy of the United States to eliminate emergency wartime controls of materials except to the minimum extent necessary (1) to protect the domestic economy from the injury which would result from adverse distribution of materials which continue in short world supply; (2) to promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States; (3) to make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be ap-

propriate; and (4) to aid in carrying out the foreign policy of the United States.

"TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS"

"SEC. 3. To effectuate the policies set forth in section 2 hereof, title XV, section 1501, of the Second War Powers Act, 1942, approved March 27, 1942, as amended, is amended to read as follows:

"SEC. 1501. (a) Except as otherwise provided by statute enacted during the Eightieth Congress (including the First Decontrol Act of 1947 and Public Law Numbered 145, approved June 30, 1947) and except as otherwise provided by subsection (b) of this section, titles I, II, III, IV, V, VII, and XIV of this Act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947. After the amendments made by any such title cease to be in force, any provisions of law amended thereby (except subsection (a) of section 2 of the Act entitled 'An Act to expedite national defense, and for other purposes', approved June 28, 1940, as amended) shall be in full force and effect as though this Act had not been enacted.

"(b) Title III of this Act and the amendments to existing law made by such title shall remain in force until February 29, 1948, for the exercise of the powers, authority, and discretion thereby conferred on the President, but limited to—

"(1) the materials (and facilities suitable for the manufacture of such materials), as follows:

"(A) Tin and tin products, except for the purpose of exercising import control of tin ores and tin concentrates;

"(B) Antimony;

"(C) Cinchona bark, quinine, and quinidine, when held by any Government agency or after acquisition (whether prior to, on, or after July 16, 1947) from any Government agency, either directly or through intermediate distributors, processors, or other channels of distribution, or when made from any of such materials so acquired;

"(D) Materials for export required to expand or maintain the production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for manufacture and delivery of the materials required for such export;

"(E) Fats and oils (including oil-bearing materials, fatty acids, butter, soap, and soap powder, but excluding petroleum and petroleum products) and rice and rice products, for the purpose of exercising import control only; and nitrogenous fertilizer materials for the purposes of exercising import control and of establishing priority in production and delivery for export;

"(F) Materials (except foods and food products, manila (abaca) fiber and cordage, agave fiber and cordage, and fertilizer materials), including petroleum and petroleum products, required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to the successful carrying out of the foreign policy of the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for the manufacture and delivery of the materials required for such export: *Provided*, That no such priority based on a certification by the Secretary of State shall be effective unless and until the Secretary of Commerce shall have satisfied himself that the proposed action will not have an unduly adverse effect on the domestic economy of the United States; and

"(2) The use of transportation equipment and facilities by rail carriers.

"(c) Notwithstanding the extension through February 29, 1948, made by subsection (b), the Congress by concurrent resolu-

tion or the President may designate an earlier time for the termination of any power, authority, or discretion under such title III. Nothing in subsection (b) shall be construed to continue beyond July 15, 1947 any authority under paragraph (1) of subsection (a) of section 2 of the Act entitled 'An Act to expedite national defense and for other purposes', approved June 28, 1940, as amended, to negotiate contracts with or without advertising or competitive bidding; and nothing contained in this section, as amended, shall affect the authority conferred by Public Law 24, Eightieth Congress, approved March 29, 1947, or the Sugar Control Extension Act of 1947.

"TEMPORARY EXTENSION OF CERTAIN EXPORT CONTROLS"

"SEC. 4. To effectuate the policy set forth in section 2 hereof, section 6 (d) of the Act of July 2, 1940 (54 Stat. 714), as amended, is amended to read as follows:

"(d) The authority granted by this section shall terminate on February 29, 1948, or any prior date which the Congress by concurrent resolution or the President may designate.

"EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT"

"SEC. 5. The functions exercised under title III of the Second War Powers Act, 1942, as amended (including the amendments to existing law made by such title), and the functions exercised under section 6 of such Act of July 2, 1940, as amended, shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of sections 3 and 10 thereof.

"ADMINISTRATION BY SECRETARY OF COMMERCE"

"SEC. 6. (a) The Secretary of Commerce, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this Act, and to exercise over-all control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended. The Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by this section.

"(b) The Secretary shall make a quarterly report, within thirty days after each quarter, to the President and to the Congress of his operations under the authority conferred on him by this section. Each such report shall contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such Acts, allocations and priorities under the Second War Powers Act, 1942, as amended, and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under section 6 of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended.

"PERSONNEL"

"SEC. 7. Notwithstanding any other law to the contrary, personnel engaged in the performance of duties related to functions, powers, and duties delegated by the President under the Second War Powers Act of 1942, as amended, and section 6 of the Act

entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940, as amended, and whose employment was terminated, or who were furloughed, in June or July 1947, may be reemployed to perform duties in connection with the functions, powers, and duties extended by this Act.

"APPROPRIATIONS"

"SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

"EFFECTIVE DATE"

"SEC. 9. This Act shall take effect on July 16, 1947."

And the Senate agree to the same.

Amend the title so as to read: "An Act to extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes."

ALEXANDER WILEY,
JOHN SHERMAN COOPER,
PAT MCCARRAN,

Managers on the Part of the Senate.

EARL C. MICHENER,
RAYMOND S. SPRINGER,
FADJO CRAVENS,

Managers on the Part of the House.

Mr. WILEY. Mr. President, I ask unanimous consent for the immediate consideration of the conference report.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. WILEY. Mr. President, I move the adoption of the report.

The report was agreed to.

Mr. COOPER. Mr. President, I should like to make a brief statement to correct some statements made during the debate on this measure. During the debate last Thursday, a great deal of interest was indicated in the practice of the Department of Commerce with respect to the distribution of licenses upon the so-called historical basis. Questions about the practice were asked by the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Washington [Mr. MAGNUSON], the Senator from New Jersey [Mr. SMITH], the Senator from Colorado [Mr. JOHNSON], and the Senator from Oklahoma [Mr. THOMAS]. The Senator from Oklahoma offered an amendment to prohibit the use of the so-called historical basis rule. In support of his amendment, he suggested that certain decisions of the Federal courts had made that practice invalid. In resisting his amendment, I agreed with his conclusion. At this time I should like to clear up some misstatements which were made at that time, because I believe that in part the statements made at that time were in error.

As I have said, Mr. President, the Senator from Oklahoma [Mr. THOMAS] offered an amendment to prohibit the use of the so-called historical basis rule in the distribution of export licenses under the Export Control Act. When the amendment was proposed I objected to its adoption, among other reasons, on the ground that the historical basis rule had been held invalid, and that there could be no arbitrary division of export licenses in the future. I felt at that time that the provision in section 5 of the Senate bill permitting judicial review of

administrative action in accordance with the provisions of section 10 of the Administrative Procedure Act granted sufficient safeguards in the event of arbitrary administrative action.

Since that time I have reexamined the question and I am of the opinion that the cases cited by the Senator from Oklahoma which held the historical basis rule to be invalid are not applicable to the situation presented here, namely, the distribution of export licenses on the historical basis. The reasons why I have come to that conclusion are as follows:

Section 203 (b) of the War Mobilization and Reconversion Act of 1944—which was the statute at issue in the cases cited by the Senator from Oklahoma—provides that executive agencies exercising control over materials shall permit the expansion of production for nonwar use of such materials without regard to the historical basis rule. The President, through the Secretary of Commerce, does not determine allocations for production under the Export Control Act as contemplated in such section 203 (b). He simply distributes among applicants, in as fair and equitable a manner as possible, licenses to export materials within the amount allocated therefor. The cases cited by the Senator from Oklahoma were cases in which the historical basis had been used by certain executive agencies in connection with production of materials for nonwar use and section 203 (b) clearly prohibited the use of such rule in such cases.

That was not the situation which confronted the Senate last Thursday. I stated that I did not endorse the use of any particular ratio such as 85 to 15, which happens to be the rule used in the case cited by the Senator from Oklahoma. I also stated that I did not think the Senate was in any position to suggest what division would be the most just and equitable division.

I am advised by officials of the Department of Commerce that in some instances where the materials available for export are sufficient to cover all applications made, they are divided up equally among the applicants. In other cases, where the applications far exceed the quantity of materials available for export, it has been the policy of the Department to foster and help reestablish prewar trade channels and enterprises, and to promote as many new enterprises in the export field as possible within the limits of available supplies for export. In my opinion it is an administrative problem with which Congress is unable to deal effectively.

I also stated during the debate that a right of appeal under section 10 of the Administrative Procedure Act would probably lie in any case in which an arbitrary division of export licenses was made. While I do not wish to express it as my firm opinion as to whether that is a correct or an incorrect statement, I should like to point out to the Senate that judicial review under section 10 of the act does not lie from agency action where such "action is by law committed to agency discretion."

The Export Control Act delegates a broad authority to the President "to pro-

hibit or curtail the exportation of any articles, technical data, materials, or supplies, except under such rules and regulations as he shall prescribe." It seems to me that this broad delegation of authority, which, by the way, has been held constitutional in *United States v. Baren* (50 Fed. Supp. 520), leaves the method of export licensing completely in the discretion of the President, which he has in turn delegated to the Secretary of Commerce.

If it is subsequently held that the action of the Secretary of Commerce in using the historical basis rule is action which is by law committed to agency discretion, such action will not be subject to judicial review under the Administrative Procedure Act. But irrespective of that, injunctive relief is always available in the case of arbitrary administrative action, and that was the relief sought and granted in the cases referred to by the Senator from Oklahoma.

As I stated during the course of the debate, the following facts were brought out in the hearings: In this year, it is estimated, exports will approximate \$15,000,000,000 to \$17,000,000,000 in value. Controlled exports will amount to about \$4,500,000,000. There is a field between the total exports and the controlled exports of approximately \$12,000,000,000 of exports which new exporters can enter if they desire. The proof we heard in committee was to the effect that the new exporters would not go into the field of uncontrolled exports because it is one of keen competition, where profits are not certain. It was stated that the new exporters want to go into the field of controlled exports where the profit is certain and sure.

I make this statement because I think in all fairness it should be made to those who question this policy, and I state again that it was a finding of the committee, and it was stated in the report that the committee believed that this practice, based upon the historical basis, was unjust and inequitable, and in the report the committee recommended that the changes be made.

Mr. THOMAS of Oklahoma. Mr. President, in response to what has been said by the junior Senator from Kentucky, I should like to relate what has happened since the discussion was had last week.

Because of the publicity given to this matter by the CONGRESSIONAL RECORD, the historical record, persons who have the export licenses approached those who had the contract to sell flour to Sao Paulo, Brazil, and offered to furnish export licenses covering 200,000 sacks of flour at 10 cents a sack, or \$20,000 in currency. I had an intimation of that when I offered the amendment, and I was seeking to prevent that sort of a practice being followed in Washington. Since the matter was not acted upon in connection with the bill, and because it is not illegal, so far as I know, the Department is still, I am advised, issuing these export licenses to ABC or XYZ, and the persons obtaining the export licenses are peddling them—a purely black-market operation.

Mr. President, I do not think that should be tolerated, I do not think it

should be countenanced, and that was why I offered the amendment. So far the matter is unsettled, and the practice is continuing, I am advised.

Mr. COOPER. Mr. President, I may say to the Senator from Oklahoma that on the facts he has stated, if it is indicated that arbitrary and discriminatory action has been taken, there is the possibility of injunctive relief, as was had in the cases which the Senator cited last Thursday.

I will say further that if that is not effective, and if the Department of Commerce will not take the recommendations which were made in the committee report to correct the situation, so far as I am concerned, I shall be very happy to join with the Senator in any legislation which he thinks would correct the condition.

Mr. WILEY. Mr. President, the Senate bill contained language to the effect that the administration of these controls "shall be subject" to section 10 of the Administrative Procedure Act. The conference bill used the language "shall be excepted from" the act, except as to sections 3 and 10. It is my understanding by the change in the language no change in meaning was intended.

THE ANGLO-AMERICAN OIL TREATY

Mr. O'DANIEL. Mr. President, the New Deal administration has for many years endeavored to nationalize and control the oil industry of this Nation. Having failed to completely accomplish their dastardly task, they have now enlisted the aid of England because of the experience that socialistic government is having in nationalizing industry. They have sought this round-about aid of England to help nationalize and degenerate this Nation by means of a so-called petroleum agreement with Great Britain.

This pink paper is now on the Executive Calendar of this United States Senate in the form of a so-called treaty. Ratification by this Senate is sought. If and when that so-called treaty becomes the pending business of this Senate I can assure Senators that it will have the uncompromising opposition of the junior Senator from Texas.

Our Nation produces the major part of the world's oil, and my State of Texas produces more than one-half of our Nation's supply. We developed our oil business in Texas without any help or advice of the United States Government, and without the help or advice of Great Britain. We do not care to have either of these nations try to stick their noses into the internal affairs of our sovereign State at this time.

We are using the revenue of the oil in Texas for one of the greatest and most noble purposes yet known to man, the education of our children. In 1944 our State collected more than \$75,000,000 in taxes from the production of oil, more than \$32,000,000 of which went to the available school fund. Our great University of Texas is forging ahead as one of the greatest institutions of higher education in the Nation. It is supported largely by royalties, rentals, and bonuses from oil. Our old folks, our dependent children, and indigent blind receive the benefit of millions of dollars derived

from oil. Our teachers retirement fund is likewise replenished from this source.

Our little farmers, who found it difficult to make a living from the production of crops, have been benefited by royalties. This has placed them in higher brackets of living, and has enabled many of them to give advantages to their children which they otherwise would not have received.

During the war, Texas furnished most of the oil, gasoline, and other oil products needed by our fighting forces on land, sea, and in the air all over the world, and kept our factories running here at home. And, Mr. President, we did this at fully \$1,000,000 per day loss to the industry. We did it without a whimper because we were in war.

But now that the war is over, if the administration in Washington thinks it can keep on cramming insults down the throat of Texas, by trying to turn us back to the royal Crown via the treaty system, it will be found, Mr. President, that, so far as I am concerned, we have not yet started to fight.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3993) making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JOHNSON of Indiana, Mr. TIBBOTT, Mr. CANFIELD, Mr. GRIFFITHS, Mr. CANNON, Mr. KIRWAN, and Mr. ANDREWS of Alabama were appointed managers on the part of the House at the conference.

REDUCTION OF INDIVIDUAL INCOME TAXES

The Senate resumed the consideration of the bill (H. R. 3950) to reduce individual income-tax payments.

Mr. ROBERTSON of Virginia. I have been very much interested in the discussion by the distinguished Senator from Arkansas [Mr. FULBRIGHT] of the fundamental issue that this is not a propitious time to grant tax relief. I should like now to comment on that phase of the problem, as well as to make some general observations on what I think is involved in the pending tax bill.

During a period of service of 10 years on the Ways and Means Committee of the House, I participated in the framing of 12 revenue measures, each one of which increased the tax burden of the people of the Nation. I naturally longed for the time to come when I would feel justified in participating in the framing of a bill to ease the tax burden. But when we were presented with the tax bill last May, I shared the position taken then by the distinguished Senator from Arkansas, that the time then was not propitious to pass a bill which would have reduced the revenue of the Government for the fiscal year 1948 by the sum of \$4,000,000,000, at a time when action on not a single appropriation bill had been completed, and we did not know whether the final budget for the fiscal year 1948 would be \$35,000,000,000 or

\$36,000,000,000, \$37,000,000,000, or the full amount the President had recommended.

In May 1947, we knew that the national income in the previous months of December, January, and February had been running at a rate of \$175,000,000,000, but at that time there were some economists who predicted a price readjustment in the last half of 1947, and no one knew for sure just what the last half of 1947 held in store for us.

We now, Mr. President, have a clearer picture of the last half of 1947 than we had 2 months ago. We know, for instance, that the national income for May was running at the unprecedented figure of \$178,400,000,000. We have completed action on some of the appropriation bills, and the Senate Appropriations Committee has acted on those likely to carry the largest increase over the House appropriations, namely, the War Department bill and the Department of Agriculture supply bill.

On yesterday we approved an increase in the War Department bill, and I understand that the subcommittee of the Committee on Agriculture—I am not sure whether the full committee has acted yet or not—has proposed an addition of \$199,000,000 to the appropriation for the Department of Agriculture for the current fiscal year. No one knows yet and will not definitely know until all the appropriation bills have been finally acted upon, the exact amount of the budget for the fiscal year 1948, but the best estimate I have been able to obtain from those on the Appropriations Committees, and from the clerks of the House and Senate Appropriations Committees, is that the total budget for the fiscal year 1948 will be in the neighborhood of \$35,000,000,000, or \$2,500,000,000 less than the estimates of the Budget Bureau.

It is possible that some later changes may add \$100,000,000, \$200,000,000, or \$300,000,000 to these tentative estimates; but at least we have that much that is rather definite to act upon, which we did not have in May of this year. In May of this year we had presented to us the Treasury estimate of revenue for the fiscal year 1948 of \$38,800,000,000. That estimate was based upon computations made in December 1946, at which time the actual returns from corporations which were filed in March 1947 reflecting the net taxable earnings by corporations in the calendar year 1946, were not available. Since then they have become available, and we find that the Treasury's estimate of what those returns would be underestimated the amount.

In December 1946 the Treasury estimated that the national income for the fiscal year 1948 would be \$168,000,000,000. We now know that for the first month of that fiscal year that figure is very erroneous. I have indicated that the last figures available, which were for the month of May, showed a produced national income of \$178,400,000,000. I do not know of anything that has happened during June which would lead me to believe that the income for June or the income for July will be substantially less than the known figures for May.

Since May there have been some developments which indicate increased prices and increased inflation, rather than decreased prices and a lower national income. One of those factors, which has but recently occurred, was the new working contract between the bituminous-coal operators and the miners, under which they agreed to a wage scale which I understand will amount to substantially 45 cents an hour more than was previously paid, and a 100-percent increase in the royalty payments, which, on the basis of production of 600,000,000 tons of coal, would add an additional \$30,000,000 to the welfare fund and \$30,000,000 to the cost of coal. No one knows exactly how much the operators will increase the price of coal to the consumers, but I feel safe in saying that the increase will be not less than 50 cents a ton if they absorb a part of the increased cost of production; and it might run—at least to the domestic consumer—as high as a dollar a ton. Since 2 tons of coal are required to make a ton of steel, we can readily see that the increased cost of coal is going to increase the cost of steel; and steel enters into so many fabricated articles that the inflationary effect is bound to be felt in many different lines.

Therefore, our Joint Committee on Internal Revenue Taxation, in formulating in May its estimate of revenue, elected to take the figure of \$170,000,000,000 as the probable national income for that fiscal period. It will be observed that the difference between the estimate of the Treasury Department and the estimate of our joint staff of revenue for fiscal 1948 is that the estimate of the Treasury Department was \$4,500,000,000 less for the coming fiscal year than the actual receipts for the fiscal year which closed in June 1947, and that our staff estimates \$1,900,000,000 less in the coming fiscal year than we actually received in the fiscal year 1947.

I am convinced that an estimate of the national income of \$170,000,000,000 for the fiscal year 1948 is not unreasonable. I concede that many things could happen. We could go into uncontrolled inflation, and then suddenly turn into uncontrolled deflation, which would radically alter the picture even in a 12-month period. But, frankly, at the moment I do not see any factors which are calculated suddenly to turn the present trend upward into a sharp trend downward. I invite attention to the fact that in assuming that we shall have a revenue in the coming fiscal year of \$41,400,000,000, our joint staff is assuming a shake-down of prices, and possibly of production in that period, of approximately \$8,000,000,000 from present levels. That in itself would be a major readjustment.

I concede to my distinguished friend from Arkansas [Mr. FULBRIGHT] the fundamental proposition that, however much we may want to give tax relief to the people, the Government should be in a position to do it. That comes under the general category of timeliness.

In taking a position now which is different from the one I took last May on the subject of timeliness, I feel that I owe it to my constituents to indicate the change which I feel has occurred in the factors which would make it safe for the

Mr. Speaker, this bill should be recommitted to the committee from which it came for further study and investigation.

How can a Member of this House support this measure and then go home and explain to his people why this unnecessary burden was added to the cost of natural gas to the ultimate consumers?

This bill should be recommitted, by all means.

COMMITTEE ON VETERANS' AFFAIRS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be permitted to sit today during general debate.

Mr. RANKIN. Mr. Speaker, reserving the right to object, may I ask what bills will be taken up?

Mrs. ROGERS of Massachusetts. Subcommittee bills, I will say to the gentleman. The gentleman from Ohio [Mr. RAMEY] has certain bills for consideration in the subcommittee.

Mr. RANKIN. Is it going to be an executive session or open hearing?

Mrs. ROGERS of Massachusetts. I understand it will be an executive session.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF TITLE III OF SECOND WAR POWERS ACT

Mr. MICHENER. Mr. Speaker, I call up the conference report on the bill (H. R. 3647) to extend certain powers of the President under title III of the Second War Powers Act, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 10, 1947.)

Mr. MICHENER. Mr. Speaker, I yield 15 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, may I say that I will yield to my distinguished colleague the gentleman from Arkansas [Mr. CRAVENS] at the proper time.

Mr. Speaker, this is a conference report on the Second War Powers Act. The conference report was fully agreed upon by both the Senate and House conferees.

One of the matters in controversy was the question as to whether hard fiber and cordage should be retained in the bill. The conferees, after having heard all of the evidence and examined the hearings, determined that such controls over hard fiber and cordage are no longer necessary, and that provision was stricken from the bill.

I recall that when the bill was under consideration earlier the distinguished gentleman from Oklahoma [Mr. RIZLEY] raised a question about transportation equipment and facilities of rail carriers.

That provision was incorporated in this bill, and that control is now exercised on transportation equipment and facilities by rail carriers, which will make it possible to secure the needed materials and supplies for the purpose of building new freight cars and new railroad cars, and for the purpose of making needed repairs, and also for allocating this equipment so the shipment of grain can be properly handled and taken care of. I think that question is entirely covered by this bill, as you will note on page 2 of the conference report.

On the question of cinchona bark, quinine, and quinidine, the allocation and control was limited to a stock pile which the Government might now have on hand, or which it might hereafter acquire. The hearings disclosed that 1,000,000 ounces of quinine have been discovered as surplus in the hands of the Army. That is coming into the possession of the Government quite soon. Of course, that particular quinine will be subject to allocation, and that which is in the Government stock pile, and which is subject to allocation in the hands of the Government is also subject to allocation down through the channels through which quinine will go. However, the industry has the power and the right to purchase cinchona bark, quinine, and quinidine on the open market without any control and without any allocation, and that which is purchased on the open market, and which is not subject to allocation under this bill, is not subject to any allocation as to those into whose hands it might finally fall and where it might eventually be used.

I think that covers practically everything upon that subject. The protection with reference to petroleum and petroleum products which was written into this measure in the House is carried forward in this measure by the conferees. I think that is a wholesome and effective provision for the protection of the people of this country with reference to petroleum and petroleum products. Too much of those commodities have been sent to Russia, and to foreign countries. The provision included in this report should be helpful to our people.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my good friend.

Mr. AUGUST H. ANDRESEN. Does this conference report have any control over the export of grains or food?

Mr. SPRINGER. Under the Second War Powers Act, may I explain to my distinguished friend, the foods and food products are eliminated therefrom. But you will note on page 3 of the report the export controls are continued until March 1, 1948, and the Second War Powers Act is continued until that same date on the limited number of items which are embraced in the pending report of the conferees. The export controls are continued, as you will note from this conference report, until March 1, 1948. Those export controls are embraced in the Export Control Act, and that act is continued.

Mr. AUGUST H. ANDRESEN. Then, this conference report is more compre-

hensive than the bill which was passed by the House.

Mr. SPRINGER. The gentleman is entirely correct. It is much more comprehensive because it embraces not only the matters contained in the Second War Powers Act, but also embraces the extension of the export controls under the Export Control Act until March 1, 1948.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. ANDERSON of California. Do I understand then that the export controls are to be continued under the same administrative set-up that now exists?

Mr. SPRINGER. Under this conference report, as the gentleman will observe in section 6, on page 3, of the report, the administration is to be conducted by the Secretary of Commerce and he is made the responsible head in charge of the administration of the provisions of this law from this time on until it finally terminates.

Mr. ANDERSON of California. How does that change the present set-up for the administration of export controls?

Mr. SPRINGER. Under the present arrangement, each one of the departments are practically in control of their own controls, that is, the Department of Agriculture is controlling the exports of agricultural commodities, and the Department of Commerce is controlling implements and machinery and so forth.

Mr. ANDERSON of California. Did the Department of Agriculture exercise control or did it not just recommend to the Office of International Trade in the Department of Commerce what items should be given export licenses?

Mr. SPRINGER. As we obtained the evidence in the hearings, that is all handled under an interdepartmental arrangement by which the Secretary of State would confer with the Secretary of Commerce or with the Secretary of Agriculture or whichever particular department of government controlled that particular commodity. Those departments would reach an agreement and then the allocations would be made in accordance therewith. But under this present conference report, the one now presented to the House, the Secretary of Commerce will have charge of the administration. He will be the responsible head and the responsible person.

Mr. ANDERSON of California. Was any consideration given by the conferees to the suggestion contained in the Senate bill for the setting up of an administrative agency outside of the Department of Commerce for the allocation of export licenses?

Mr. SPRINGER. That was not considered. In the original bill which was introduced in the Senate, it provided that a department head should be set up, and he should be granted the right to employ such departmental assistants as he might require. But they amended the bill in the Senate, and that portion of the bill was not presented to the conferees.

Mr. ANDERSON of California. I will say that my interest in this stems from the fact that some of the folks I represent are being kicked around under the

present administration and find it extremely difficult to secure export licenses. I do not know whether the gentleman knows it or not, but there have been a series of black-market rackets built up under the present administration of the Export Control Act.

Mr. SPRINGER. May I say to the distinguished gentleman from California that according to my information there has been some confusion with respect to the issuance of licenses. But under this conference report, this bill if it is finally enacted into law, thus placing the responsibility in the hands of the Secretary of Commerce, I feel quite confident that such confusion will be very largely eliminated.

Mr. ANDERSON of California. I certainly hope so.

Mr. SPRINGER. The disturbances in issuing licenses was caused more by reason of the confusion which existed, very largely. It is hoped, under this bill, this confusion will be entirely eliminated.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Illinois.

Mr. MASON. The fact that it has been an interdepartmental matter and that one had to go to the other, and so forth, was the one thing that caused the confusion and the kicking around, as the gentleman from California has stated. Now, by placing it in one department, that ought to eliminate that confusion.

Mr. SPRINGER. In other words, it makes one department head entirely responsible. I think that confusion of the past will be largely eliminated in the future.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my distinguished chairman.

Mr. MICHENER. The conference report places the responsibility in a single individual, without creating any new bureau with a lot of additional employees and expense.

Mr. SPRINGER. That is entirely correct.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. Yes, I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does the conference report preserve the provisions with respect to judicial review?

Mr. SPRINGER. Yes. That is retained in the measure.

Mr. MCGREGOR. Will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Ohio.

Mr. MCGREGOR. Am I right in my supposition that foods and food products, manila (abaca) fiber and cordage, agave fiber and cordage, and fertilizer materials are no longer under the control program?

Mr. SPRINGER. The gentleman is entirely correct. Those articles are not under the control program, under the provisions of this report.

Mr. Speaker, I yield to the gentleman from Arkansas [Mr. CRAVENS].

Mr. CRAVENS. Mr. Speaker, the conferees are in entire agreement. The gen-

tleman from Indiana has made a complete statement of the conference report. I have no requests for time.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. ANDERSON of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BROWN of Ohio. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 107]

Barden	Fisher	McGarvey
Bennett, Mich.	Fuller	Macy
Bland	Gallagher	Mansfield, Tex.
Bloom	Gifford	Monroney
Bolton	Gorski	Nixon
Boykin	Harless, Ariz.	Norblad
Buckley	Harness, Ind.	Pfeiffer
Byrne, N. Y.	Harrison	Powell
Carroll	Hartley	Rayfiel
Celler	Hébert	Rich
Clark	Heffernan	Robison
Clements	Hendricks	Schwabe, Mo.
Cole, Mo.	Hertel	Scoblick
Cole, N. Y.	Jenkins, Pa.	Scott, Hardle
Combs	Jones, N. C.	Smith, Kans.
Coudert	Judd	Smith, Ohio
Courtney	Kee	Vinson
Dawson, Ill.	Kelley	Youngblood
Dingell	Keogh	
Dorn	Kersten, Wis.	

The SPEAKER. On this roll call, 367 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD in five instances and to include newspaper articles.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include an article entitled "United States Marine Corps Faced With Possible Extinction if Merger Bill Is Enacted."

Mr. McDOWELL asked and was given permission to extend his remarks in the RECORD.

Mr. LEMKE asked and was given permission to extend his remarks in the RECORD and include an editorial written in 1816 in the Chicago Tribune.

Mr. HAND asked and was given permission to extend his remarks in the RECORD.

Mrs. NORTON asked and was given permission to extend her remarks in the RECORD and include a newspaper article.

Mr. KEATING asked and was given permission to extend his remarks in two instances in the RECORD and include two editorials from the New York Times.

SUGAR ACT OF 1948

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consider-

ation of the bill (H. R. 4075) to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes.

The motion was agreed to.

Accordingly the Committee resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4075, with Mr. CUNNINGHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday, July 10, there was pending an amendment offered by the gentleman from Kansas [Mr. HOPE] and a substitute amendment offered by the gentleman from Wisconsin [Mr. MURRAY] for the Hope amendment.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent to withdraw the amendment that I offered on Thursday.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. HILL. Reserving the right to object, Mr. Chairman, I would like to know if the gentleman is withdrawing the entire amendment.

Mr. MURRAY of Wisconsin. I wish to say that I asked unanimous consent to withdraw this amendment—

Mr. HILL. Well, reserving the right to object, I still want to know if you have another amendment that is worse than the one you offered the other day.

The CHAIRMAN. The Chair does not believe that is a proper question.

Is there objection to the request of the gentleman from Wisconsin that he be permitted to withdraw the substitute which was offered on Thursday, July 10, to the amendment offered by the gentleman from Kansas [Mr. HOPE]?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Chairman, I offer an amendment to the Hope amendment.

The CHAIRMAN. Is it an amendment or a substitute?

Mr. MURRAY of Wisconsin. It is a substitute for the Hope amendment. It is exactly like the present law.

The CHAIRMAN. The Clerk will report the substitute offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Wisconsin: On page 22, following line 3, insert a new subsection (c) to follow section 301, as follows:

"(c) (1) That all persons employed on the farm in the production, cultivation, or harvesting of sugar beets or sugarcane with respect to which an application for payment is made shall have been paid in full for all such work, and shall have been paid wages therefor at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing; and in making such determinations the Secretary shall take into consideration the standards therefor formerly established by him under the Agricultural Adjustment Act, as amended, and the differences in conditions among various producing areas: *Provided, however,* That a payment which would be

[PUBLIC LAW 188—80TH CONGRESS]

[CHAPTER 248—1ST SESSION]

[H. R. 3647]

AN ACT

To extend certain powers of the President under title III of the Second War Powers Act and the Export Control Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Second Decontrol Act of 1947".

FINDINGS OF FACT AND DECLARATION OF POLICY

SEC. 2. (a) Certain materials and facilities continue in short supply at home and abroad as a result of the war. The continued exercise of certain limited emergency powers is required to complete the orderly reconversion of the domestic economy from a wartime to a peacetime basis, to protect the health, safety, and welfare of the American people, and to support the foreign policy of the United States.

(b) The Congress hereby declares that it is the general policy of the United States to eliminate emergency wartime controls of materials except to the minimum extent necessary (1) to protect the domestic economy from the injury which would result from adverse distribution of materials which continue in short world supply; (2) to promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States; (3) to make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate; and (4) to aid in carrying out the foreign policy of the United States.

TEMPORARY RETENTION OF CERTAIN EMERGENCY POWERS

SEC. 3. To effectuate the policies set forth in section 2 hereof, title XV, section 1501, of the Second War Powers Act, 1942, approved March 27, 1942, as amended, is amended to read as follows:

"SEC. 1501. (a) Except as otherwise provided by statute enacted during the Eightieth Congress (including the First Decontrol Act of 1947 and Public Law Numbered 145, approved June 30, 1947) and except as otherwise provided by subsection (b) of this section, titles I, II, III, IV, V, VII, and XIV of this Act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947. After the amendments made by any such title cease to be in force, any provisions of law amended thereby (except subsection (a) of section 2 of the Act entitled 'An Act to expedite national defense, and for other purposes', approved June 28, 1940, as amended) shall be in full force and effect as though this Act had not been enacted.

“(b) Title III of this Act and the amendments to existing law made by such title shall remain in force until February 29, 1948, for the exercise of the powers, authority, and discretion thereby conferred on the President, but limited to—

“(1) the materials (and facilities suitable for the manufacture of such materials), as follows:

“(A) Tin and tin products, except for the purpose of exercising import control of tin ores and tin concentrates;

“(B) Antimony;

“(C) Cinchona bark, quinine, and quinidine, when held by any Government agency or after acquisition (whether prior to, on, or after July 16, 1947) from any Government agency, either directly or through intermediate distributors, processors, or other channels of distribution, or when made from any of such materials so acquired;

“(D) Materials for export required to expand or maintain the production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for manufacture and delivery of the materials required for such export;

“(E) Fats and oils (including oil-bearing materials, fatty acids, butter, soap, and soap powder, but excluding petroleum and petroleum products) and rice and rice products, for the purpose of exercising import control only; and nitrogenous fertilizer materials for the purposes of exercising import control and of establishing priority in production and delivery for export;

“(F) Materials (except foods and food products, manila (abaca) fiber and cordage, agave fiber and cordage, and fertilizer materials), including petroleum and petroleum products, required for export, but only upon certification by the Secretary of State that the prompt export of such materials is of high public importance and essential to the successful carrying out of the foreign policy of the United States, for the purpose of establishing priority in production and delivery for export, and materials necessary for the manufacture and delivery of the materials required for such export: *Provided*, That no such priority based on a certification by the Secretary of State shall be effective unless and until the Secretary of Commerce shall have satisfied himself that the proposed action will not have an unduly adverse effect on the domestic economy of the United States; and

“(2) The use of transportation equipment and facilities by rail carriers.

“(c) Notwithstanding the extension through February 29, 1948, made by subsection (b), the Congress by concurrent resolution or the President may designate an earlier time for the termination of any power, authority, or discretion under such title III. Nothing in subsection (b) shall be construed to continue beyond July 15, 1947, any authority under paragraph (1) of subsection (a) of section 2 of the Act entitled ‘An Act to expedite national defense and for other purposes’, approved June 28, 1940, as amended, to negotiate contracts with

or without advertising or competitive bidding; and nothing contained in this section, as amended, shall affect the authority conferred by Public Law 24, Eightieth Congress, approved March 29, 1947, or the Sugar Control Extension Act of 1947."

TEMPORARY EXTENSION OF CERTAIN EXPORT CONTROLS

SEC. 4. To effectuate the policy set forth in section 2 hereof, section 6 (d) of the Act of July 2, 1940 (54 Stat. 714), as amended, is amended to read as follows:

"(d) The authority granted by this section shall terminate on February 29, 1948, or any prior date which the Congress by concurrent resolution or the President may designate."

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 5. The functions exercised under title III of the Second War Powers Act, 1942, as amended (including the amendments to existing law made by such title), and the functions exercised under section 6 of such Act of July 2, 1940, as amended, shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of sections 3 and 10 thereof.

ADMINISTRATION BY SECRETARY OF COMMERCE

SEC. 6. (a) The Secretary of Commerce, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this Act, and to exercise over-all control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended. The Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by this section.

(b) The Secretary shall make a quarterly report, within thirty days after each quarter, to the President and to the Congress of his operations under the authority conferred on him by this section. Each such report shall contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such Acts, allocations and priorities under the Second War Powers Act, 1942, as amended, and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended.

PERSONNEL

SEC. 7. Notwithstanding any other law to the contrary, personnel engaged in the performance of duties related to functions, powers, and duties delegated by the President under the Second War Powers Act of 1942, as amended, and section 6 of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940, as amended, and whose employment was terminated, or who were furloughed, in June or July 1947, may be reemployed to perform duties in connection with the functions, powers, and duties extended by this Act.

APPROPRIATIONS

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

EFFECTIVE DATE

SEC. 9. This Act shall take effect on July 16, 1947.

Approved July 15, 1947



